

# Japanese management system

[Business](#), [Management](#)



## 1. Introduction:

In modern business world, there is not the only right way of business but there exists no technique that can be practiced perpetually. Japanese Management System that has been acknowledged as one of the most excellent ways for business management system which has been employed to turn many business into success. Thus Japan management style had endured during numerous spectacular economic changes such as “Nixon Shock”, “Liberalization of capital”, “Double-income policy”, “Oil Shock”, “Bubble” and “Plaza accord”. Also, these economic upheavals had kindled Japanese economic growth for more than last four decades. In fact, Japan has witnessed several economic turmoil’s like “Asian currency crisis”, “Troubled financial system”, “The end of the Bubble”, “Low GDP growth”, or “Changing attitudes of young employees”. The major variance between the previous changes and the current changes is that the current changes have altered Japanese basic economic structure, social structure, and devout structure that had been supposed to be practiced forever.

During the past decade, Japanese economy had grown in a substantial way and Japan’s annual GDP [Gross National Product] had turned to be world’s largest GDP in recent years. The reason for this is that where USA and Russia were actively engaged in cold war during the last decade but Japan due to its peace constitution was thus concentrated its endeavour on the economic development. Till 80’s, Japan economy witnessed a steady growth but later in entangled in economic stagnation which was known as “bubble economy” which resulted in a severe recession. However, it is astonishing to note that

Japan credit to GDP ratio was a staggering 300% that Japan had before its economic crash in 1990.

## 2. What Are The Features Of Japanese Management?

Traditional Japanese Management System is characterized as follows: Japanese Management consists the following special characters: Under Japanese Management, seniority will be considered for promotion and wages. Further, employment opportunities are provided for lifetime and thereby assuring permanent income sources and there is rarely a golden handshake as being practiced in European and in U. S. Further, there is a union among enterprises which facilitate them to make corrections whenever necessary.

Further, in Japanese management, group decision making is being practiced and this has given them to implement new ideas and principles in the business. Further, a loyal employee in Japan is being assured with long-term perception and corporate welfare like food during work and very attractive retirement compensation. According to economic lexicon, the Japanese Management System is described as “ general uniqueness of Japanese methods of business and idea that exists only in Japan and Western companies does not follow.

This exclusive Japanese characteristics includes seniority based wage, lifetime employment, and seniority based promotion, retirement age system, enterprise union, group orientation, corporate welfare, a round robin system, and so on” (Ara, 1993). Though there are several specific characteristics for JMS, the three elements mainly enterprise union, seniority

for promotion and wages, and, lifetime employment have been considered as the most distinct features for Japanese Management System. [Ezra F. Vogel, 1979].

A non-US car manufacturing company for the first time in history has become global leading Manufacturer. Japan's Toyota Motor Corporation hammered out the USA's General Motors from the top of the ladder to acclaim the world's leadership position in automobile sales. This has put a full stop to GM's 76-year supremacy as the top player in the auto industry world wide. Analysts already had visualized this to happen subsequent to Toyota's nonstop push for top position. Industry connoisseurs envisage Toyota will almost certainly stay number one in the international level for the ensuing future also due to its competent production tactics and exceptional marketing techniques. Outstanding dependability, matchless prices and first class after-sales service will also facilitate the Japanese company preserve its clutch as the industry leader. The Toyota's Corolla car persists to be the top selling car internationally and a new model envisaged for launch in 2008 should help Toyota to maintain its leadership.

Toyota is enjoying copious profits as compared to its American rivals, GM, Chrysler and Ford are engaged in cost cutting measures to survive and to continue in the market, their Japanese competitor anticipated to earn higher from profits from that of \$12 billion last year. Industry observers are of the view that Japan's motivated and capable workforce is really helping Toyota to achieve this position. A job in the auto industry is still regarded as a social status in Japan. Toyota's success can be attributed to its unconquerable image, as They are keeping their quality high and understanding customers

when they are in problem while servicing them . Toyota top executives were humble in acknowledging their accomplishment. They maintained that the goal was to be topper in quality, not in sales quantity.

In post war Japan, there was shortage of resources and to over come this, a production method that focused on enhancing efficiency and minimizing waste had been initiated. Taiichi Ohno was the founder of systems which founded TPS on the standards of constant improvement, and practice of manufacturing “ Just-in-time”. Lean production as it called by all in later days is responsible as a major element in the minimizing of inventories and faults in the plants of Toyota and its vendors, and it strengthens all the manufacturing operations across the World as of now.

### 3. How Do Japanese Managers (Tend To) Apply Their Style Of Management In Europe?

Leadership in business organization wishing success realizes how significance it is to have an efficient strategic plan to accomplish the mission goals and objectives within their organizations. A tactical plan that is effective can bestow the organization a competitive benefits since it recognizes objectives and goals that are required to accomplish the mission while offering quality service. Most successful leaders understand the significance of having a TQM [Total Quality Management] concept that promises customer satisfaction. Different business organization has different techniques to gauge their TQM program, but their ultimate aim is to offer quality service and quality products that end in customer satisfaction.

Thus, TQM plays a pivotal role for success of any business. Leadership should aware that their attitudes and behaviours have a considerable impact on accomplishing strategic mission and goals. In a globalised economy, due to severe competition, there always exists at any given time, there may be a change. A leader has to take a right decision to implement this change at the appropriate time which plays a major role in the success of any business. Change management can be elucidated as a “ well planned approach to transitions from an existing stage to a desired state, in individual, organizations, teams and societies.” Major corporations in Europe have now understood the significance of TQM and are applying their business management.

Leadership requires inspiration, creativity and vision to attain the mission. Leadership is based on theories of approach and focus. [Arthur G. Jago, 1982] Focus theory deals as to whether leadership is regarded as a set of actions or as a set of traits. Traits theory focuses on the leader's instinctive and intrinsic personality traits that differentiate them from non-leaders. These personality qualities and traits are meant to be relatively lasting and stable. Focus on behaviour theory deals with the leadership as noticeable actions of the leader instead of personality traits.

Under approach theory, specific attention is given to whether a specific theory or model of leadership takes a contingent or universal perspective. Under universal approach, there is a universal modus operandi of behaviour or traits for an efficient and effective leader.