

Basic principles of japanese management management essay



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Achieving a clear understanding of human relation is a key aspect of management in the work place. In order for employees and employers to perform together as a successful and productive unit, the employees must understand how they might fit into the overall management system alongside the supervisors and managers who must have a clear understanding of how they can maximize the outcome of productivity by supporting and improving their employees through the appropriate management style. It is also important for managers to be able to evaluate the working environment, as well as the key characteristics of the job, in order to make a decision about how he or she deals with and directs employees.

Aside from understanding how human relation affects an employee's actions, the manager must also be responsive to the particular working environment, behaviors, and motivational forces, which can affect the employees. This can then be used to make a decision for which actions are required to stimulate the work place and assist in achieving the highest possible standard for productivity outcome.

The purpose of this essay is also to discuss some of the key differences between Japanese and Western management style and also talk about a particular Japanese way of management that deals with the way in which employees are observed by supervisors or managers. The Japanese management style is often referred to as " Theory Z" developed by Dr. William Ouchi. This theory explains a working culture inside the company which reflects the Japanese culture in a way that employees can become more responsible, and capable of working on many different tasks.

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Basic Principles of Japanese Management

There are four basic theories underlying the main difference between Japanese and western managerial style. Western companies operate almost the direct opposite way of the following Japanese managerial styles.

- 1) The employee who is able to perform any work responsibility is intelligent enough to develop the productivity and quality of that work.
- 2) Given the opportunity to the employee who wants to develop the quality of their work.
- 3) Members of a company form a “ family.”
- 4) Work in a group is more important than working individually.

These four theories are underlying the Japanese style of work in a company. They may seem simplistic, but they form the foundation for the development of the Japanese economy into the world. No one can understand the Japanese economic vision without first understanding the basic theories mentioned above.

The first theory boldly states, “ The employee is not unintelligent”. This suggests that if the typical company employee knows enough to work on a specific job, then they also know enough to develop the work being done. In a typical Japanese company, first step taken in order to develop the project is a discussion with the employee on how it may be executed. It is very important that all employees understand their own responsibilities as well, especially more than and any outsider of the business. An experienced

employee will not be as familiar with a particular job as the employee who has experienced it for a longer period of time. Japanese managers and supervisors look to workers for advice, and it is normal for foreman to discuss solutions with manual workers. The Japanese believe that a job can be done better when the employee provides suggestion in a difficult situation. All employees should discuss various issues with an employer whenever work changes are expected.

How can this theory be applied systematically to Western companies? The Japanese developed two organizational practices, which will encourage employees to share their ideas. The first is the Quality Control procedure in which employees make their own productivity suggestions. The second practice is a procedure used to encourage all employees to develop their new skills over the years during their work practices. So most new employees in Japan learn new skills by observing someone in the company. No one who is hired by a company expects to work in the same field job until retirement, employees who have become more important to the company over the years of their career as they gain additional knowledge and abilities. In some Japanese companies, the majority of the employees are responsible for the productivity outcome. They are not only asked for suggestions, but they build up their skills so they are able to find solutions to solve problems. How many Western society employees have been seriously seeking improvements where they work? In comparison to companies using suggestion systems, the number of suggestions per employee in Japan is very high while it is currently almost unacceptable in the United States. Both managers and supervisors in America must change their way of

understanding and realize that employees are qualified enough to take part in product developments.

The second theory states “ employees want to do better work”. Few of us want to do less than possible, although no one wants to be taken advantage of (McGregor, 1960: 40-8) The Japanese companies are avoiding this by rewarding employees when they do extra than normal. As a result, any employee who has more skills and is capable of doing more jobs is also given more responsibility or else is relocated to the next level of division. So often, Japanese companies are encouraged to continue promoting of their employees. Once employees are capable of working more than one main job, they are able to communicate their work to other subdivisions; they can also evaluate their own responsibilities and become productivity specialists.

Japanese employees are rewarded when the company has increased in profits; bonuses are based on how good the company performs. In fact, during a bad economic period, the lower level employees will receive less pay cuts than employees in higher levels of work. Because of the reason that managers and supervisors are in charge; they must take the responsibility for any mistakes in policy. On the other hand, lower level employees in Western companies are receiving more pay cuts as they have less skills and less seniority. It is no wonder it is difficult to encourage these employees to do their best, because their temporary condition makes it difficult for them to identify with their employees.

The third basic theory of Japanese management states, “ employees form a family”. Japanese companies are accepting the idea that employees and

employers form a strong social unit. All employees of a company create systems of mutual responsibility further than what they are actually being paid to do. Being part of the company or 'family' creates liability on both the employers and employees part. One outcome of this theory is the practice of lifetime employment. Many employees in Japan are facing bankruptcy, family problems, or even criminal behavior; nevertheless they still have to have complete job security. After all, companies don't fire their own employees, in the same way that adults don't fire their own children. The "family" style company allows adjustments and provides the best environment for all employees.

Like any family, the company's interest in its employees may turn out to be too overwhelming, and not all Japanese employees accept this style of support from their employers. In the same way, many Westerners would reject this extreme style of company paternalism. Most Westerners accept supervision during work hours but decline the right of employers to obstruct with off-work activities. Conversely in Japan, the family style of management by companies makes it difficult to separate work from off-work activities, as obligations of the employee are comprehensive and do not discontinue at the end of the work day.

The last common theory of Japanese management style states "the group is more important than the individual." No one should be so selfish and think that only they are working for themselves. This reflects the idea that a person owes a gratitude to their parents or leaders, which realistically and ultimately can never be paid off. Since the group is more important than the individual, the Japanese companies have developed a few methods to ensure

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harmony within the group. All employees are paid partly on the basis of their level of skills not on individual work, and promotions are also based on the level of skill. As a result, these procedures can reduce the possible individual feelings of jealousy and competition within the work group. This theory is the most difficult for Westerners to accept, especially for Americans since they are a nation of individualists.

Contrasting Responsibilities of Japanese vs. Western Employees (Japan vs. West. 1984, p. 47).

Japanese management style VS. Western management style

The key difference between Japanese and Western management style is not one of method but of attitude and philosophy. The Japanese have studied the Western style of management, concentrating mainly on American management styles for the past 30 years and have adapted what they believed to be useful methods to their own work environment. It now appears that Western companies are studying some of the Japanese management styles, attitudes, and philosophy and have adopted areas of work ethic, which they believe to be valuable to their companies. It is necessary that Western companies study and deploy various Japanese management styles because the most important reason behind successful Japanese outcome in productivity and quality is the quality of their work force. Western companies aren't often able to compete with Japanese companies. They must simply adjust their human relations and ways of management in order to become more competitive with not only Japan, but also the world.

The basic difference between Japanese and Western employees is the connecting relationship between the employee and the employer. In Japan there exists a reasonably strong bond, especially in those circumstances where employees are hired for the stability of their work life. The relationship between company and the employer, under these circumstances become a key aspect of the individual and his or her identity. This employee/employer bond often turns out to be a strong relationship that may grow even stronger than the parent/family or husband/wife. On the other hand, the bond between employee and employer in the West is relatively weak, as it is generally based on a relationship, which can be separated independently by either employee or employer with short notice.

Although in Japan companies, employers do not clearly mention to guarantee lifetime employment to employees, the employee knows that he or she will not be fired even if company is facing difficult economic issues. Only in the case of a near-bankruptcy situation will the employer decide to reduce employees. However, the employer will avoid the Western terms of "fired" or "termination". Instead, moral suasion will be used to have older employees take early retirement, and if younger employees must be discharged, they will resign "voluntarily". To Western ears, this may sound like a smoke screen to hide what is commonly known as a layoff. However, it reinforces the commitment of Japanese employers not to decide to layoffs. It is not surprising then, that the lifetime employees of the large Japanese companies develop a strong relationship to their employers.

There are those who argue that when the Japanese approach work, their attitudes about their jobs and their strong connection with their employer

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are all the outcome of the Japanese “ family” style company. In the other words, it is argued that a necessary condition to achieve the Japanese employee/employer connection is the basic cultural environment. Although Japanese companies are very encouraging of the positive employer/employee connection existing in Japan, but it is by no means a necessary condition. Japanese companies have focused their endeavor on human resource improvement that considers a company’s employees, collectively, to be the heart of that company.

On the other hand, the Western approach to the relationship between employee and employer does not satisfy the value of the employee, collectively or individually. In various western companies, the employee usually is considered merely just a part of production. The price paid for parts of production, usually then becomes the market-determined rate, which employers pay for (the needed parts of production). In the Western approach therefore, the employee is not essentially considered to be part of the company that employs him or her. The employee is an outsider, who provides services to the company for a price, and once the price has been paid, then the company has accomplished its responsibilities to that employee.

The Japanese have realized that the employee cannot be considered just a part of production. Conversely, employees are all unique as they can be improved, developed, and motivated. As a result, collectively and individually they make the company with the supply stand out and to compete successfully in the business world. The Japanese hold on to the rule that a supervisor or manager is a leader and must be able to lead and

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demonstrate how the particular job is done. It is important to understand that the Japanese approach to the relationship between employer and employee was not created to base on humanitarian values. The employee, when he or she is well treated and trained, becomes a valuable resource for the company. Employee value and potential in the company has always been unnoticed and underestimated in Western culture. Fortunately, it is not too late to improve and develop the approach to employer/employee relations in the Western companies. Even though, some Western companies are now starting to changeover, but they will take several years to see the outcomes. The improvement of human resources is a mission and the benefits to be gained are only available in the future. Thus, in order to remain competitive with Japanese companies, Western companies are required to make the necessary improvements now.

Conclusion

Many theories are made in the work environment, based on observation of the relationship between the employee and the employer, and their relationship with management. The varieties of jobs being done, as well as the characteristics of employees frame a particular company and lay down the foundation for the leadership styles, which will be assumed by employers. Japanese management style teams seem to have developed these ideas by saying that not only theories about employees should be made, but also theories about employers as well. That is to say that under Japanese management, employers should be more encouraging and supportive of their employees, in order to gain the advantage of more involvement in the decision making of the company. While western styles of

management seem to intake a more motivated type of employee, employers seem to have more formal leadership styles than Japanese employers. By making a comparison between these two rather vastly different styles of management, theories about human relations can be more clearly understood in order for employers and employees to improve and develop a better productive and more positive environment in the work place.