

JAPANESE MANAGEMENT

The managerial practices followed in Japan are quite different from those followed in economically advanced countries in the west. In recent years, more and more companies have started using Japanese management practices to increase productivity. For example, Samsung a Korean Company used theory Z to improve its efficiency.

THE JAPANESE MANAGEMENT PRACTICES

They are circle employees immediately after graduation and guarantee employment until retirement, and mandatory retirement. The employers and employees have an unwritten mutual understanding regarding their expectations about the job. An employee spends his entire working life with a single enterprise in life time employment. This helps generate a feeling of job security in the employees and a feeling of belongingness towards the enterprise. The concept of lifetime employment brings about “harmony” in the enterprise. With this harmony employee works with loyalty and it helps him/her identify closely with the aims of the organization. The success of this practice depends on both employer and employee

The disadvantages as the lifetime employment is that it increases the labour cost of the company firm is forced to maintain a large workforce even though it may not have work to keep them all sufficiently occupied. Therefore, many firms have begun to question the practicality of the concept of lifetime employment. This permanent employment policy is generally used only by large firms.

SENIORITY SYSTEM

All privileges are given to older employees based on seniority. Promotion and wage increases are based on an employee's length of service in the company, not job performance. The seniority system seems to be unfair to young and able people. But they are to some extent compensated psychologically by being assigned challenging tasks and being placed in positions which everybody in the company knows lead to future managerial positions. Almost all promotions to management jobs are from within the organization.

CONTINUOUS TRAINING

This is secret of the success of Japanese managers. There is continuous training to Japanese management practice. In Japanese firms every young manager has a “godfather,” who is never his boss or anyone in the direct line of authority. The “godfather” is not part of the top management, but is highly respected by others and is over 45 years of age. He is expected to advise, counsel and look after his “godchild.”

EMPHASIS ON GROUP WORK

In most Japanese organizations tasks are assigned to small group of employees. They all feel like a family member and feel pride of working there.

DECISION-MAKING

The practice of managerial decision-making in Japan is built on the concept that new should come primarily from personnel belonging to lower levels in the hierarchy. They feel that change and improvement come from this. The lower-level employees prepare proposals for higher-level personnel. The “ring system” refers to decision-making by consensus.

The word ring consists of two parts ‘ran,’ which means submitting a proposal to one’s superior and getting his approval, and ‘gi,’ meaning deliberations and decisions. Before a proposal is finally approved, it is discussed at many group meetings. Once the proposal receives the green signal, things move fast. Thus, Japanese firms expect decision-making to take place in groups and decisions to be based on principles of full information-sharing and consensus.

Unique Features of Japanese Management

The Japan management system has three levels of attention: An overall focus, general strategies and specific techniques.

Focus

The essence of management in large Japanese organisations is its focus on human resources. Management considers its human resources, more than its financial or physical resources. The Japanese organisations go all out to develop the human resources. Much of the Japanese management revolves around a distinct approach to personal management. Such a focus on the human resources helped the Japanese industry to achieve so much in spite of the poor endowment of the natural resources.

Strategies

The concern for human resources is manifested in three interrelated strategies. First, employees are offered long-term employment. This demonstrates the organisation’s commitment to its people. Second, the organisation’s philosophy concerning employee needs and the values of cooperation and teamwork are well articulated. Third, close attention is given to hiring new employees who fit well in the organisation and to ensuring that this fit is maintained and enhanced throughout the employee’s work life.

✓ Life time employment

The U.S. view towards employees is that when times are bad, employees are laid off and fired. In Japan, except in the most severe economic circumstances, employees are assured of permanent employment. Usually new employees are hired fresh out of educational institutions. The organisations then train them, make promotions from their internal pool, and emphasises seniority in the allocation of rewards. Long-term employment leads to high employee morale. For the organisation, the benefits are : low employee turnover, low training costs, and high organisational cohesiveness.

✓ Organisational philosophy

Each Japanese organisation has a specific philosophy that presents a clear picture of its objectives and values. It acts as a super ordinate goal- a shared and unifying goal with which all organisational members can identify, support and place above any one person’s individual

goals. A common theme among Japanese companies is a heavy emphasis on cooperation and teamwork. Members of the company are part of a family. The theme spirit and cooperation characteristic of a family are possible with the security provided by the strategy of permanent employment.

✓ Intensive socialisation

Employees once hired undergo an initial training programme, the purpose of which is to familiarise the employee with the organisation. Over a period, the employee identifies himself with the company. He is socialised very intensively.

