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ABSTRACT

In recent years, Japanese management techniques have been proclaimed by many as the salvation of American business. It would be dangerous, however, to apply these techniques to American business situations without critically examining them. Whereas Americans regard responsible individuality as a virtue and view lack of autonomy as a constraint, the Japanese regard individuality as evidence of immaturity and autonomy as the freedom to comply with one's obligations and duties. While there are no significant differences in the style of decision making used by Japanese and United States managers, the dominance of face-to-face communication among the Japanese may account for the perception that there is more openness about major decisions in Japanese firms and more desire for employers and employees to explore and learn together. There are problems with the Japanese system, however. For example, permanent employment operates mainly in the larger Japanese firms, applies only to a minority of Japanese workers, and is reserved for males. To avoid the stigma of becoming a temporary worker or manual laborer, Japanese children are pressed at increasingly younger ages to learn enough to be admitted to the most prestigious schools, since career opportunities are dependent on educational achievement. After careful examination, Japanese management appears to be a system of contradictions. Before American business people start a wholesale application of Japanese management techniques, they need to ask whether success should be measured in terms similar to those used by the Japanese. (HOD)

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**A Comparison of Japanese Management and Participative Decision Making:
Implications for Organizational Communication Research**

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In recent years, "Japanese management techniques" have been proclaimed by both scholars and lay authors as the salvation of American business. Perhaps because of popular books such as Theory Z by William Ouchi (1981) and The Art of Japanese Management by Richard Tanner Pascale and Anthony G. Athos (1981), it seems that everyone has heard of the wonders of Japanese management. According to Ouchi (1981), corporations such as Hewlett-Packard, Eli Lilly and Dayton-Hudson are using his Theory Z approach to management. Given the glowing success stories described by Ouchi and others, it would seem that American industry could profit from the widespread application of these techniques. This may or may not be true. The danger lies in applying techniques based on Japanese management without critically examining them. This is easy to do because, as one searches for information on this approach, one finds that the vast majority of articles portray the Japanese system in a favorable light. Yet, there are some authors who criticize, or at least express concern about, Japanese management techniques. This paper will review some of these articles in order to provide a more balanced look at an approach to management that everyone seems to be talking about.

The differences between U. S. and Japanese management are summarized in the following chart adapted from McMillan (1980):

| | UNITED STATES | JAPAN |
|-------------------|--------------------------------------|-----------------------------------------------------|
| EMPLOYMENT | Short term, Market oriented | Long term, Career oriented |
| MANAGEMENT VALUES | Openness & Accountability | Harmony & Consensus |
| MANAGEMENT STYLE | Action oriented, Short term horizons | Perfectionism in long term, Paralysis in short term |
| WORK VALUES | Individual responsibility | Collective responsibility |
| CONTROL PROCESSES | Formalized & Explicit | Not formalized & Implicit |
| LEARNING SYSTEMS | External consultants & Universities | Internal consultants & Company Training |

Americans and Japanese live in quite different conceptual worlds. Whereas Americans regard responsible individuality as a virtue and view lack of autonomy as a constraint, Japanese regard individuality as evidence of immaturity and autonomy as the freedom to comply with one's obligations and duties (Fox, 1977). According to Fox (1977), the "traditional Japanese male employee is born into an intricate web of obligations and relationships" in which ridicule is unbearable and the ideal is to "blend selflessly into a system of 'other-directedness'" (p. 77). This socially committed male is chosen from the graduating class of one of the best universities to become a manager in a Japanese company for life. As a Japanese manager who abhors unpleasant face-to-face confrontations and discord, he will manage through a system of apparent consensus building (Tsurumi, 1978).

This consensus building system, the Ringi system, is one of the most talked about virtues of the Japanese system. There is evidence, however,

that this system is not dedicated to true consensus. Fox (1977) describes the Ringi system as a process in which a proposal prepared by middle management is circulated to affected units of the organization for review, revision and approval. When each unit has attached its approval seal to the proposal, it goes to the appropriate higher level authority for final approval and implementation. Although the system involves numerous group meetings and much delay, once final approval is granted, the organization moves surprisingly quickly to implement it. Fox claims that this system should be labeled "consensual understanding" instead of decision making by consensus. According to Fox:

It is not uncommon for the Ringisho to be merely the formalization of a suggestion from higher management which has had the benefit of considerable prior discussion before being drafted. Apparently, not many Ringisho are drastically revised enroute to the top or vetoed when they get there. And considerable discretion is retained by management to prescribe in detail when and by whom they will be implemented. (pp. 79-80)

Although Fox believes the Ringi system is not true decision making by consensus, he does believe the system nurtures commitment and, thus, "recalls the work of Lewin, Maier, Coch and French, and Likert who demonstrated the effectiveness of participative decision making in American organizations long ago" (p. 85). Krauss (1973) sees many parallels between the management styles of successful U. S. companies dedicated to participative decision making and the Japanese system. Tsurumi (1978) takes a more critical view and characterizes the decision-making process inside Japanese corporations as "personality-based". He claims that "the art of consensus-building is to sell ideas and decisions

to others" (p. 60). This criticism echoes the claims of American critics who have challenged participative decision making. Often American employees are allowed only limited participation (see French et al.'s classic application of participation in a manufacturing plant), or are allowed to participate in making only insignificant decisions. Participation is often used to make an employee feel like he or she is taking part in the decision-making process even if the employee's input does not actually have an effect on the process.

Pascale (1978) reinforces the similarity in decision-making style between American and Japanese managers in an extensive study of communication practices in U. S. and Japanese corporations. Pascale found that managers in Japanese firms engage in over 30 percent more face-to-face contacts each day than do managers in U. S. firms. In addition, Japanese managers score themselves higher on decision quality and substantially higher on implementation quality than U. S. managers. Yet, there is no significant difference in the style of decision making used by Japanese and U. S. managers. Japanese managers do not use a consultative decision-making process more often than American managers. Pascale argues that the Japanese managers' tendency to use more face-to-face contacts is more efficient because the Japanese language does not lend itself to mechanical word processing and most written communication has to be done by hand which is a lengthy process. In addition, face-to-face communication is encouraged by the crowded Japanese work setting in which many levels of the hierarchy are located in the same open work space. Thus, the nature of the Japanese language and the work setting may be the

major determinants of the Japanese manager's communication style. This face-to-face style, in turn, leads to higher perceived decision quality and higher perceived implementation quality.

The dominance of face-to-face communication may account for the perception that there is more openness about major decisions in Japanese firms and "more desire to explore and learn together" (McMillan, 1980). While Japanese managers are not actually using a consultative decision making style, they are talking to their workers a great deal. This increased face-to-face contact is interpreted by observers of the system as openness. Systematic research into the content of these face-to-face interactions is needed to determine if Japanese managers are being "open" with their subordinates or merely answering questions and giving advice.

No matter how decisions are actually made within Japanese corporations, there is no doubt that Japanese companies are highly successful. McMillan (1980) attributes the phenomenal success of Japanese industry to high productivity due to the "best technology-oriented hardware which combines the newest processes available, an emphasis on quality control and cost-volume relationships, and, where necessary, automation and robot technology" (p. 28)--in essence, machines. McMillan argues that the Japanese have invested a great deal in developing and maintaining advanced hardware systems and are reaping the benefits of this technology. Fox (1977), on the other hand, takes a more human approach to the success of the Japanese system. He claims that the Japanese system has accomplished so much due to "dedicated, self-sacrificing workers, spurred by a sense of urgency" (p. 80). Supposedly these workers are rewarded by lifetime employment,

but this is not actually the case.

Permanent employment (the Nenko system) operates mainly in the larger Japanese firms and applies to a minority of Japanese workers (Oh, 1976). It is reserved for male employees in government and large businesses (Drucker, 1978). The limitation of the Nenko system and its benefits to perhaps 30 percent of the nonagricultural Japanese labor force, according to Oh (1976), "appears to be essential to the continued survival of the Nenko system, and is probably its greatest cost to Japanese society" (p. 15). The benefits of the Nenko system, however, are not limitless for those who are covered by it. Although a manager can expect yearly raises and bonuses since wages are based at least partly upon seniority, lifetime employment for most managers ends at age 55, pensions rarely exceed two or three years of salary, and government social security benefits are nominal (Fox, 1977). To keep this system in operation and assure a flexible supply of workers, the Japanese system considers 20 to 30 percent of its workers as "temporary" (Fox, 1977). Women, by definition, are temporary employees (Drucker, 1978) and are "consistently discriminated against with regard to pay, benefits and opportunity for advancement" (Fox, 1977, p. 79). Even Ouchi (1981) admits that "Type Z organizations have a tendency to be sexist and racist" (p. 77).

To avoid the stigma of becoming a temporary worker or manual laborer, Japanese children are pressured at increasingly younger and younger ages to learn enough to be admitted to the most prestigious schools. According to Drucker (1978), since "career opportunities are dependent almost entirely on educational attainment" (p. 33), the pressure starts with the child's

application to nursery school. As the pressure is becoming more intense, Drucker notes, the suicide rate among teenagers and even preteens is reaching alarming proportions. Perhaps partly because of this pressure, young people in Japan are starting to defect from the traditional values (Fox, 1977). Although McMillan⁴³ (1980) discounts its effect, he notes that "a growing minority of young people are impatient with the career employment system and the age-related wage practice" (p. 29). Oh (1976) claims that management tends to cultivate these grievances among younger workers to keep them from unifying with older workers to oppose management. Whether or not these grievances will become strong enough to challenge traditional management practices remains to be seen.

After careful examination, Japanese management appears to be a system of contradictions: Managers spend a great deal of time in face-to-face communication with workers, but they do not use consultative decision making more than American managers. The Ringi system gives the appearance of consensus-seeking, but it is actually more of an information dissemination system. Japanese are rewarded for their educational attainments so they are pressured into starting on the path toward the best schools at increasingly earlier ages. "Permanent" employment ends at age 55. Undoubtedly, the Japanese system has produced successful corporations, but, as Sethi (1973) notes, "Do we want to measure success in terms similar to those used by the Japanese society?" (p. 14). This question must be answered before we start the wholesale application of Japanese management to U. S. corporations.

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