

JAPANESE MANAGEMENT PRACTICES: A LESSON FOR PAKISTAN

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INTRODUCTION

We are witness to a time when the IT revolution during the better part of the last millennium has completely transformed and revolutionized the world, and compels us to 'rethink' and 'reinvent' a whole way of life. From development to governance, from globalization to ecosystems, from policy to management, etc., etc. a reawakening is taking place all over the world to be at the competitive edge of all things that are yet to come and yet to affect the society in which we live. The vision to see Pakistan as the 'Asian Tiger' of the 21st Century is yet to materialize. Perhaps our management practices are not consistent and streamlined with a proper focus. It is with this purpose in mind that the author of this paper has reopened Japanese management practices to determine what lessons can be learned by Pakistan in the Asian context.

The issue of management has gained an added importance over the last several decades. The world of business has become more complex, and the enterprises face unexpected challenges (Donnelly, Gibson, and Ivancevich, 1984:3). It is not only the question of production processes and sales, but, also the interpersonal relationships between the employees on both the vertical and horizontal levels. The multinationals operating in Pakistan has brought in a new culturalism and a new orientation towards competitiveness. This has resulted in a large number of management oriented schools (howsoever dubious) to mushroom into an industry that attracts a large number of students to acquire a competitive advantage. Also, in-service personnel from public and private sectors are geared to go for management degree programs to meet new challenges. The study of Japanese management practices is all the more important.

JAPANESE MIRACLE

After being defeated by the Allies in the Second World War, Japan showed only one third of its prewar production in 1947 (Ohkawa and Rosovsky, 1973:4). Most observers agreed that Japan's economic prospects were rather negative. In the 1950s Japan reached its prewar level of production (Ohkawa and Rosovsky, 1973). And due to the rapid growth of its economy it was challenging the United States as the world's leading economy in the 1980s (Ohkawa and Rosovsky, 1973). This was due to many different factors but one of the most important was the Japanese approach towards management practices (Misumi, 1990:819-32). This paper focuses on two basic circles of Japanese management activities:

1. Employment and personnel practices
2. Production methods

EMPLOYMENT AND PERSONNEL PRACTICES

A very common practice of the large Japanese firms is the lifetime employment of their employees, which is not a lifetime in actual sense but rather is characterized as a long-term employment with a single firm (Loscocco and Kalleberg, 1988:337-56). Employees are recruited right from educational institutions, enter the firm at lower rank levels and are expected to stay with the firm all their lives (Lincoln, 1989:89-106). Retention of employee is encouraged through career development, and positive motivational incentives and rewards. Turnover is discouraged and punished. For example, if the employee leaves the firm at some point in time, the leaving causes severe damage to his career. Loyalty towards one firm throughout one's life is a strong norm in Japanese society (Lincoln, 1989).

Since recruited employees will probably work in the firm for a long-term, an extended importance is given to selection processes (Lincoln, 1989). Selection processes combine both interviews and staff examinations. Employees get ingrained with the firm's history and philosophy. They are extensively trained during each stage of their career. Rewards are dispersed chiefly on the basis of sincerity and loyalty. For this reason a high emphasis is given on general ability rather than vocational skills (Goldstein and Goldstein, 1990:30-41). A firm needs 'blank pages' which are to be shaped according to its needs.

Japanese firms have a hierarchical rank system similar to the hierarchy of grades in the British civil service. The basic wages are determined by the rank with additional awards according to performance or special assignments. Promotion to higher ranks may depend on completion of a firm's examination or on the length of service. Each rank is subdivided into a number of ranks. Each employee is given a grade according to age. This grade determines employee basic salary and bonuses. For more flexibility employees are identified not by jobs but by ranks. On the lower and medium levels of hierarchy promotion is gradual while it gets more competitive on the management levels. On all levels we find a frequent job rotation. This is to ensure that employees work in different settings and that they identify with the firm as a whole rather than with a certain job (Misumi, 1990).

There is a wide range of welfare benefits which include financial assistance with housing, education, medical services, free transport social facilities, and retirement benefits.

Decision-making involves extensive communication and consultation between all hierarchy levels. All parties are encouraged to express opinions towards proposed policies. Consensus and compromise is the keynote to Japanese success where decisions once made have no problem in implementation.

PRODUCTION METHODS

The Japanese have focused on the notion of 'total quality control' for eliminating waste, inefficiency and production errors. There are three basic practices used to fulfill these goals (Buch and Spangler, 1990:573-82). The just-in-time system ensures that the outside suppliers deliver parts daily or even hourly so that support stocks are readily available at all times. Tight in-process controls of machines ensure high quality manufacturing, and quality circles which consist of small groups of workers encourage them to identify production problems, and make suggestions for improvement. Successful operations depend heavily on highly disciplined behavior of production workers.

CONCLUSION

Japanese firms are organized on the models of an 'industrial clan' (family) rather than impersonal bureaucracy. Evaluation and promotion only take place after an extended period with the firm. Career specialization is discouraged by job-rotation. Decisions are made through participation, consensus and compromise, and the responsibility for outcomes is shared. Importance is given to collective values with clear divisions between work and social life.

Pakistan was created through collective aspirations of the Muslim people to pursue their life in a society in accordance with the dictates of their faith. From 1947 to the present, the nobler concepts of unity, faith, and discipline are absent. Pakistanis

collectively have failed to honor their commitment to the ideals and aspirations that created their homeland. The Japanese society is a mirror, and its management practices an example of unity, faith, and discipline. Sincerity, loyalty, and commitment are lessons to be learned and practiced in Pakistan.

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