

# EXPLORING VALUES OF JAPANESE & AMERICAN MANAGEMENT SYSTEMS

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Since the emergence of "quality circles," Japanese management systems have been scrutinized by Americans in order to translate their methods and results into healthier U.S. organizations and profits. This article reviews the components of Japanese organizations which developed from societal values and culture. Because of the differences in American and Japanese values, reproduction of organizational components to American systems is impossible. However, an analysis of two theories of Japanese managerial behavior, Ouchi's *Theory Z* and Pascale and Athos' *Seven S's*, is presented which identifies specific components of the Japanese system that could benefit American organizations.

This article also discusses the emphasis Japanese place on group orientation and identity, deferment of profits for long-term gain, and commitment to quality at every organizational level. The authors conclude that in order to compete within an ever-changing world economy, American enterprises must re-evaluate current management systems and incorporate successful components of other systems.

## *Weaknesses of Japanese Management*

One weakness of Japanese management concerns the concept of permanent employment. A good number of Japanese businesses adhere to the idea of hiring employees straight out of school and keeping them employed in the same firm until retirement

(Stevenson et al., 1986). This concept has at least two weaknesses. First, the motivation of employees who constantly work at their full potential is questionable, given that they will most likely never be fired. As Jon Woronoff, in his book *Japan's Wasted Workers*, observes,

Rather than make exceptional efforts for the company, there is a growing category of people who do not even make a proper

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\*The views of Captain Lucier, Majors Boucher and White do not represent the views of the United States Army.

effort. They have found that they can get by with a minimum amount of work without being unduly harassed by their fellow employees or threatened with dismissal by the company (Woronoff, 1982). Second, the permanent employment concept, in the past, has helped ensure Japanese with cheap labor. Young, newly-hired employees in decades past have been willing to start at lower salaries and work for 30 to 40 years knowing their wages and benefits would steadily increase over time. As a result, businesses were able to keep people costs manageable and profits increasing. For permanent employment to be profitable, a continuous and ample stream of young employees must be available; however, Japan's demographics are reflecting the same problems of the U.S. -- the youth pool is declining (Vogel, 1979). This places increasing pressure on corporations to compete against each other for their most precious asset -- people. As Ezra Vogel said in his book *Japan as Number 1: Lessons for America*, companies "are so strained maintaining permanent employment that the whole system is beginning to crack" (Vogel, 1979).

A second weakness of Japanese management concerns promotion practices. Japanese employees are generally promoted based upon their seniority and their ability to gain the respect and approval of their associates. These promotion practices create problems of their own. Seniority is valued because an "older" person is presumed to have experience and judgment, and thus be more effective as a leader. Basing promotions on the criteria of seniority assumes that seniority is associated with productivity. This is an invalid assumption. Numerous scientific research efforts have found that:

... seniority by itself is not a good predictor of productivity. In other words, holding all other things equal, there is no reason to

believe that people who have been on a job longer are more productive than are those with more seniority (Robbins, 1986). This peer group promotion system, to a large extent, discounts the individual's pure ability and job performance and mistakenly promotes the idea that "those with the same seniority are considered as equals" (Vogel, 1979). In other words, the "best and brightest" can get ahead only if they are respected by their less capable peers.

A third weakness of Japanese management can be seen as the off-spring of the above practices. These practices result in a severe limitation (non-existence might be more appropriate) of mid-career mobility among Japanese workers. As discussed above, firms would rather hire a younger, inexperienced, lower paid individual capable of being molded in the firm's image than pay for a more experienced and knowledgeable employee. In their article "Theory F," Joel Kotkin and Yoriko Kishimoto describe job mobility in Japanese society as a dead-end proposition in which "switching firms or even starting your own company is not a realistic alternative". The fact that employees' pensions are tied to company service and subject to severe reductions once they leave is a key consideration to a people whose social-welfare expenditures are extremely low (Kotkin & Kishimoto, 1986). As one top Japanese manager told Kotkin and Kishimoto:

The problem is that there is nowhere to go. You soon realize that your car, your vacations, your expense account, your pension all belong to the company. The way the system works, without the company, the big company, you are nothing.

Finally, a number of management system practices that the Japanese use result in gross management inefficiencies that are startling. Recruitment entails differentiating employees by background (age, education, etc.) "but rarely by specific job skills" (Woronoff,

1982). Job descriptions in Japan are non-existent, forcing workers "to sort out how the tasks they encounter will be shared" (Woronoff, 1982). Job rotations of clerical staff and potential managers occur every two or three years making it hard for them to gain expertise in any one job. Supervision skills for managers are often deficient because supervisors do not give specific orders to subordinates or monitor progress as American managers do. Japanese supervisors are seen as being responsible for creating a good working atmosphere and giving subordinates considerable leeway with little pressure or criticism of performance (Agawa, 1979; Woronoff, 1982). Further, there are too many long meetings, a lack of opposing viewpoints and vague agreements for action (Woronoff, 1982).

All management styles and practices can be exported and imported between countries. However, the core values are not so easily overcome by thoughts of prospective profit margins (Moran, 1989).

#### *Precepts of the Japanese Value System*

The heart of the differences between the Japanese and American management styles are the many different cultural values that can be found in comparison of the two societies.

The two basic precepts of the Japanese value system that result in the greatest cultural divergence between Japan and America are known as *Amae* and *Sumanai* (Murayama, 1982). These two traits of the Japanese character are not anything mystical, but are different enough so as to result in a strong desire to avoid conflict on the part of the Japanese. This desire should not be confused with any appearance of timidity, but rather as a basic character difference from Americans. *Amae* is the desire to receive passive love, the unwillingness to face the world of objective reality (Doi, 1973). *Sumanai* is the desire to retain other people's

good will.

Taken at face value, these values would not seem to be all that different from what one would expect from an American. Americans essentially do not teach their children that to pick fights is a value society will reward. However, the difference is we teach our children to take only so much. Consider the most common theme of American movies, the one in which the hero takes all from the bully, and in the end is forced to a confrontation, which the hero wins. John Wayne/Gary Cooper rides off into the sunset.

#### *Japanese Education and Values*

The Japanese education system has been touted as one of the best in the world. It has undergone many transitions since the period of the Meiji Restoration. The Japanese have used, at various times, the educational systems of the United States, Britain, France and Prussia. The French system had the appeal of being structured and was favored until the Prussian system was examined.

In this sense the process of Japanization (of education) was accompanied at each stage by Westernizing the process based on the type of Westernization thought to be most desirable at that point in time (Shively, 1971).

There is an underlying current of human value in the Japanese character that is at odds with Western teachings and beliefs.

Japanese culture has no conceptions of a God existing abstractly, completely separate from the human world (Nakane, 1973).

This is a far cry from the Judeo-Christian belief that is predominant in the U.S. The basis of Japanese religion is the Shinto beliefs which do not have a singular God, but instead provide many gods with varying attributes. Included are most human attributes, such as the need for a vacation. For this reason, the month of August is designated as

a time when all the gods are on vacation.

The Japanese do not believe that foreigners are blessed with the same mental abilities as Japanese. This is most evident in the cases wherein a foreigner has attempted to learn the native language.

In most cultures, a foreigner who makes the attempt to learn the language in question is thought, by the members of that country ... to be providing a significant indicator of the high esteem ... in which he holds ... the society. Thus, it comes as a particularly rude awakening ... that Japanese Society behaves in a fashion that is directly contrary to this general rule (Miller, 1982).

The Japanese believe their tongue to be beyond the abilities of non-natives to grasp. During WWII, there was story about a British newsman who was captured and questioned. The questions were posed in Japanese for the express purpose of frustrating the prisoner. When the newsman, a 14-year veteran of Japan, responded in the native tongue, the guards became so incensed that they cast the reporter from the nearest window.

The belief about the difficulties of the language is at the root of a discriminatory hiring practice by the much-touted education system. While it is not uncommon to have a foreign professor teaching on an American campus, this is not the case in Japan.

Japanese law specifically prohibits any person not of Japanese nationality from ever being appointed as a tenured professor on the faculty of any Japanese national university (Miller, 1982).

Does this seem, in any way, to be a policy that would be supported in the United States? This belief on the sanctity of the language has not escaped the Japanese researchers by any means. According to Professor Suzuki at Keio University,

He (Suzuki) assigns the enduring vitality

of the law (about native teachers) to the existence of a belief, which he claims is generally held among Japanese, that foreigners properly not ought to understand Japanese at all (Miller, 1982).

Clearly this bespeaks a strong indication of feelings of racial superiority on the part of the Japanese. This value could be said to be at odds with the value system of the United States. This feeling of racial superiority, which has been translated to a very nationalistic mind-set, has run counter to the actual course of history, and one wonders how the unpleasantness of reality are dealt with. The answer lies in how the Japanese handle the defeat of World War II.

All this has meant that when it comes to modern history, particularly the years leading up to the Pacific War and the circumstances of Japan's military defeat in 1945, the educational blackout has been almost total through the postwar years (Miller, 1982).

Hiroshima and Nagasaki ... talked about in a historical vacuum ... divorced from the context of the events that led up to them (Miller, 1982).

It is often said the winner writes history. Conversely, the loser can write history, if the loser controls the educational system. With all fairness, the Japanese could be forgiven for dealing with their loss as if it were an aberration of history. Americans manytimes are not aware that Japan has in the past defeated both the Chinese and the Russians, adversaries that have ranked as our number one and number two threats in the past. These strong feelings of nationalism continue in the workplace and shape the viewpoint of the Japanese worker and employer.

Employment with a foreign firm in Japan is regarded as somehow out of the system. In spite of the very high salary, very few well-qualified men are ready to take a job in these firms. This reluctance comes first from the feeling of insecurity about the

future. Second, social recognition, so that their employees are likely to be regarded as not part of the Japanese community; this is something not tolerated by the Japanese (Nakane, 1973).

#### *The Role of Group Identity*

Beyond the initial effect of forcing the workforce to stay within the purely Japanese system, the rigid bias against employment with foreign firms prevents the spread of ideas, both good and bad, into the Japanese workforce (Nath, 1988). Perhaps the most rigid facet of the Japanese is the importance of group identity and seniority within the group, without regard to competency.

A man is classified primarily according to the group to which he belongs ... Since a group is based on a rigid hierarchical order, the individual is allowed to enter only at the bottom of the hierarchy: (allowing) entry at any point would disrupt the order and the links between existing members (Nakane, 1973).

The critical point of this classification is that it is done without regard to the individual's competency. While it is said that both the American military and the federal bureaucracy are guilty of supporting a promotion system based on longevity rather than individual contribution, such a system is not the standard in corporate America. This rigid stratification creates other personnel management problems.

The rank of an employee is determined first by his education qualifications and then by the date of his entry into the company ... As a result, management is given to promote several individuals from the same year group, taking care to avoid creating any appreciable gap between them. Hence, the many assistants and acting ranks in every sector in Japan (Nakane, 1973).

The underpinning of acceptance of this system by employees is the great degree of

security this system offers. Any deviation in a promotion policy would be perceived as an immediate threat to that security (Rahim, 1989). Thus, for a firm to get that one exceptionally qualified individual to a senior management position, the co-workers of the person must also be promoted to positions of not necessarily equal power, but of equal security. The identity of the group is an authority figure for the worker. As such, the group protects its power over the individual.

If a man happened to make a mistake in his work, his friends in the group would protect him. Even in very serious cases, where no reasonable excuse would justify his actions, they would protect him with group power and fabricate some irrational and emotional justification (Nakane, 1973).

The group cannot allow punishment against a member from an external source as this would eventually undermine the group. The group identity goes beyond just the necessity of staying within the same strata of the rest of the employees in the year group. The employee is expected to continue with the same employer.

... it is also very hard to return to one's previous job after an interval of some years ... This is why it is very hard to find a man to take a post in an international organization (Nakane, 1973).

Once a worker severs a tie, regardless of a supposed temporary nature, it is very difficult to recenter the group. The worker perceives that the individual was willing to abandon the group once, and will do so again. Additionally, all accomplishments of the group during the person's absence moved the group to a closer relationship. The individual must attempt to break the barriers of these accomplishments, and this is virtually impossible, especially the barriers erected by the accomplishment of difficult tasks.

... it is more advantageous for a man to stay in one group than to move from one

group to another. To say in the same group is to climb the ladder in the course of time, since the group recruits new members who are placed beneath him ... in due time he can accumulate a kind of social capital by remaining in the same group (Nakane, 1973).

Thus, it behooves the worker not to question the status quo that guarantees retirement benefits and the respect of his peers. This last incentive cannot be underestimated. Japan is not a mobile society like America. The reputation of village children is closely followed throughout their lives. There is no starting over in Japan. Apparently this group identity is a continuation of a family value system that emphasizes the importance of the family structure.

In the ideal traditional household of Japan, for example, opinions of the members of the household should always be held unanimously regardless of the issue ... An expression of contradictory opinion to that of the head was considered a sign of misbehavior (Nakane, 1973).

The family is the source of the development of the strong feelings of importance of group identity and the necessity of belonging to a group. This type of value is not in the American household.

The role of the woman in Japanese society is directly at odds with the role of her American counterpart. The female in Japanese society is viewed as the bonding force in the home. Women in Japan wield tremendous power, controlling the family purse strings and consumption (Kan, 1991). However, forty percent of the women in the labor force are relegated to performing repetitious and tedious tasks. Japanese society expects women to work until marriage, then to quit to raise children, and to return after age 40, and then only as needed, to low-level part-time positions. Given these traditions, it is not surprising that Japanese view women neither as authority figures nor as decision

makers (Hellriegel & Slocum, 1989). One should not make the mistake of thinking this lot in life is one of forced servitude. This lifestyle represents the ideal for the woman according to the value structure of the country.

Although the management principles practiced by the Japanese may be taught in the classroom, one must analyze the type of worker for whom those principles have proven effective. Although Japanese principles may be taught at Wharton, who is teaching Americans and encouraging acceptance of a new value system? Who ensures the worker understands he should stay at his assigned position until retirement? Who develops the plan to modify the strong union influence in America, and in turn, develop strong "Quality Groups?"

By and large American managers have seemed to shy away from the very elements that the Japanese have used with much success - spiritual values, self-confidence, fitness and happiness - in their ascendancy to world leadership in productivity (Batten, 1989). Adoption of Japanese management principles as a pure entity is not possible unless we are willing to adopt an identical value system. This is virtually impossible, unless we experience the same influences as the Japanese. It is possible, however, to adopt a distillation of those principles: a capturing of the essence of Japanese management principles (Lee & Schwendiman, 1982).

#### *Two Theories of Japanese Management Behavior*

Since Japanese management style evolved from totally different cultural roots than the American system, does that mean the system is worthless to Americans? Due to the cultural differences, Americans could never totally adopt a Japanese system. However, there are several components of that system that could benefit American organizations.

One would have to determine which components would improve an organization's effectiveness. To determine what components would be useful, two explanations of the Japanese management system will be presented: William Ouchi's *Theory Z* and Pascale and Athos' *Seven S's*. It will be observed that they are both alike, yet also different in several respects. However, by presenting both theories, one will have a better idea of what can and cannot be applied to an organization.

Theory Z is Ouchi's attempt to adapt Japanese management principles to the American business setting. He cites three interpersonal relationships that are the key reasons for the success of the Japanese management system.

#### *Three Components in the Success of the Japanese Management System*

	TRUST	
INTIMACY		SUBTLETY

Ouchi states: "The first lesson of Theory Z is trust. Productivity and trust go hand in hand ..." (Ouchi, 1981). Subtlety is knowing your people well enough, and having the freedom to move them around to build teams that maximize effectiveness. Intimacy is a term that turns off the rugged, individualistic, American manager, but it should not. Intimacy is not "touchy-feely" per se. It is: "the caring, the support, and the disciplined unselfishness which makes life possible through close social relations" (Ouchi, 1981). The combination of these interpersonal relationships form an approach to management that has the following components which will be discussed individually:

1. Lifetime employment
2. Evaluation and promotion
3. Non-specialized career paths
4. Implicit control mechanisms
5. Participative approach/consensus de-

cision making

#### 6. Holistic concern for people

Top managers in most major corporations believe that lifetime employment offers many advantages: planned recruitment and training of personnel, good teamwork and employee morale and stable labor-management relations (Yoji, 1988). This characteristic is probably unacceptable in the U.S. But facets of it, like trust, loyalty to the firm, and job commitment are the foundations of Theory Z and applicable to American organizations. The concept (lifetime employment) is truly built on trust. Also, Japanese management is not reluctant to make the training investment, because there is no fear that employees will quit and run to the competition (Teresko, 1989). The employee knows that in bad times he may suffer some, because his remuneration will not be as high as usual. He likewise knows that in the firm's good times he will be economically rewarded. Lifetime employment is also built on selfless sacrifice to the organization to reach long term goals (Flynn, 1982).

Employees in Japanese firms may not be evaluated as an individual until they have been in the firm for 10 years or more. During this period the employee will be evaluated as part of a group. The objective of the Japanese employment system is to reduce the role of power; to break power down into many dimensions to be shared widely by different people (Campbell & Campbell, 1988). As a result, there is no motivation for "backstabbing" -- advancing your career at someone else's expense. Ouchi writes,

But how is it that a young person will willingly take on more responsibility and more pressure without commensurate reward? The answer has to do with membership in working groups ... our group memberships have more influence on our attitudes, motivation, and work than does any other social phenomenon ... More than hierarchical control, pay, or promo-

tion, it is our group memberships that influence our behavior ... It is not external evaluations or rewards that matter in such a setting, it is the intimate, subtle, and complex evaluation by one's peers - people who cannot be fooled - which is paramount (Ouchi, 1981).

Nonspecialized career paths allow the employee to learn the business from the ground up. It avoids the "it's not my job" syndrome that characterizes specialization in most organizations. It is a recognized weakness that employees have no expertise in a single function, but the Japanese have found that when those employees reach the higher levels of management they are better at coordinating the different operations of the firm. It also improves horizontal coordination and the employees' overall sense of the mission, goals, and objectives of the organization. Ouchi writes,

When people spend their entire careers with one specialty, they tend to develop subgoals devoted to the specialty rather than to the whole firm and they have neither the knowledge of the people nor of the problem to enable them to effectively help other specialists within their own organization (Ouchi, 1981).

What Ouchi explains is the professional tunnel vision that can be found within many highly specialized industries and professions. Everything tends to become compartmentalized and people are unable "to speak the same language." Whereas Americans specialize within a career pattern, Japanese specialize with an organization. In the U.S. we are somewhat reluctant to train employees on skills which make them more marketable for fear they will take their new knowledge to another firm. The Japanese, on the other hand, are dedicated to continuous training and view lifelong job rotations as an incentive to develop skills and commitment to the organization (Kamata, 1982).

American management creates controls

to reach specific objectives. The organizational culture creates the control for Japanese management. Americans write goals and objectives, then create the control system that supposedly will guide them to those specific objectives. However, in the U.S., all too often actions do not match words. Japanese controls are part of an organization's culture. The objectives represent values of the owners, employees, customers, and government. The movement toward objectives is defined by a set of beliefs about what kind of solutions tend to work well in the industry or firm.

The benefits of the participative approach or consensus decision making are well known: commitment to the decision by those who will have to carry it out; more creative solutions and more effective implementation (Morgan, 1989). The Japanese system goes much deeper than just "Quality Circles" of 6-8 people representing different parts of the organization, sitting around brainstorming and devising courses of action. Managers and supervisors spend a large percentage of their time with their employees and rely considerably on consultative decision making (Beck & Hillmar, 1986). However Japanese managers admit that while they may be slow in decision making, Americans are slow in implementation.

Collective values reflect a collective sense of responsibility to the organization's goals. There are no individual rewards; rewards are based solely on group achievement and group ability (Ishikawa, 1985). New ideas are group ideas. Japanese management looks out for the complete physical, intellectual, and moral development of their employees. It is the Japanese management methods which appear to give working people a feeling of great achievement and pride and self-esteem (Yantani, 1989). The organization is the employee. Ouchi writes,

When economic and social life are integrated into a single whole, then relation-



ships between individuals become intimate ... intimacy, trust, and understanding grow where individuals are linked to one another through multiple bonds in a

holistic relationship (Ouchi, 1981). The following summarizes differences between the American organization and a Japanese organization.

Differences in Japanese and American Organizations

JAPANESE ORGANIZATION	AMERICAN ORGANIZATION
1. Lifetime employment	Short-term employment
2. Slow evaluation and promotion	Rapid evaluation and promotion
3. Non-specialized career paths	Specialized career paths
4. Implicit control mechanisms	Explicit control mechanisms
5. Collective decision making	Individual decision making
6. Collective responsibility	Individual responsibility
7. Holistic concern	Segmented concern

*The Seven S's of the Japanese Management System*

Now let us take a slightly different look at how the Japanese management system works by examining Pascale and Athos' Seven S's. Pascale and Athos (1982) give an example of Japanese management in action by discussing the Matsushita company, commonly

known to Americans as National, Quasar, Panasonic, or Technics, and the define their theory of the Seven S's. Each of their S's will be defined and some of their examples of Japanese management in action will be used to help illustrate the principles involved. The following introduces the Seven S's:

Seven S's of the Japanese Management System

HARD	Strategy Structure Systems	Dominates U.S. Management
SOFT	Staff Style Skill Superordinate Goals	Dominates Japanese Management

*Strategy* is the firm's plan of action that causes it to allocate its scarce resources over time to reach its objectives. The focus is on obtaining market share through producing quality goods at affordable prices and not using resources on new development. A lot of money on research and development will not be spent; they take the present product and make it better. They observe that profits are linked to growth, and those investments which promote growth eventually will pay off in profits of the *longrun*. Japanese executives will intentionally sacrifice profits for several years in order to lay the groundwork for later success (Vogel, 1979).

The *structure* is basically the organization's wiring diagram. In this respect the Japanese firms do not differ significantly from American firms. They use the division system but keep the following functions centralized: accounting, personnel management, and training. Most Japanese firms have very strict hierarchies.

*Systems* refer to how information moves around within the organization. Where structure provides the skeleton, the systems are the circulatory system and people are the muscle. The key is to move a lot of information around the organization, make a consensus decision, then aggressively implement changes. *Information is a key component of organizational trust*, and therefore systems must be designed that facilitate the rapid movement of accurate information. The Japanese also use strategic management techniques: they know where they are now in the market, where they want to be in the market in the mid and long term, and they map a course to get there.

These principles should not be a surprise since they provide the basis of the American management system. Following are the other four S's which provide the foundation of the Japanese management system.

*Staff* refers to the demographic characteristics of people within the organization. There

are certain staff principles: provide substantial training to all employees; everyone sells first (i.e. everyone learns the business from the ground up); and, rotate employees through different jobs within the organization -- avoid excessive specialization. The Japanese do not necessarily recruit those from the top of their class. Rather, they look for more malleable recruits who are more open to socialization in the organization. They (the majority of the large, prestigious firms) do not fire anyone; they train and encourage self-development to correct weaknesses. Performance is critical to the organization, but performance will never be sacrificed to seniority for advancement, until possibly after 10-15 years in the organization.

*Style* refers to the pattern of behavior displayed by top executives and senior management. Japanese management encourages a "hands-on approach," which means getting into the factory (the Japanese term is GENBUTSU-GENBA which means "go out and look for yourself at what is happening") and the field, and spending time with customers. Top managers in Japan must be able to motivate employees many layers down to energetically and creatively pursue the organization's objectives. Most top managers eat in the same dining facility, work in the same large, open office, wear the same uniforms, and accept a pay differential between themselves and labor that is not as large as it is in most American corporations.

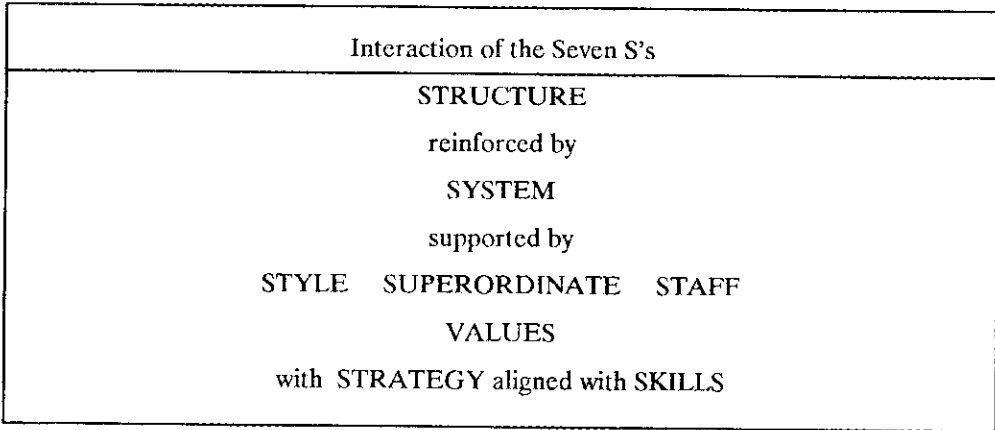
*Skills* refer to those things which the organization and the key people do well. The skill of a manager is his ability to weave together an understanding of human behavior with hard-edged efficiency. A firm's skills are a reflection of how the parts of the organization come together to achieve specific goals.

*Superordinate goals* include the spiritual or significant meanings and shared values of people within the organization; the overriding purposes to which an organization and its members dedicate themselves. This is ac-

complished through an organizational code of values, company songs, and tying the company's service or product to the welfare of the society. It means management must serve as trainers and developers of character, not just exploiters of human resources. In

the U.S., employees are generally looked upon as objects to be used to achieve the manager's and the employer's purposes.

How do the Seven S's interact to create a management system? See below. (Pascale & Athos, 1982).



*Essential Keys to Japanese Management Success*

A few more key components of Japanese culture or management philosophy that are key to the overall success of the Japanese management style are as follows. First, if any single factor explains Japanese success, it is a group-directed quest for knowledge (Morishima, 1982). Second, Japanese companies are prepared to defer maximizing profits in order to increase market share. Success is not measured in annual profits, but rather, annual increases in market share (Vogel, 1979). Third, information is pursued with incredible intensity. They will look for, and accept, information from anywhere (Vogel, 1979). Last, they are committed to Total Quality Control, not simply quality circles - an overarching commitment to quality at every level of the organization (Shonberger, 1982).

**Summary**

As a nation entering a period in world history that will be marked by unprecedented

economic competition on a global scale, the United States can no longer continue to hold onto management systems which are not responsive to the environment. Currently, American organizations are characterized by a lack of trust at all levels, a blinding devotion to the bottom line which is defined by short term profits, overspecialization and the "not my job" syndrome and complacency and arrogance built up through success over the first 50 years of the industrial revolution. The time is at hand to examine closely the health of American business enterprises and other organizations, study other management systems, and incorporate the components of other systems that improve the responsiveness, efficiency, and competitiveness of American enterprises in the marketplace. Admittedly, no small task, but if it is not accomplished and American deficiencies are not reversed now, the dynamics of the modern marketplace will lead to the demise of far too many American enterprises.

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