The Japanese and the American First-Line Supervisor

BY LESLIE A. BRYAN, JR.

Over the past several years, a flood of articles, both in the popular and academic press, has discussed American versus Japanese management styles and the resultant productivity of each nation. Generating a great deal of theoretical and philosophical debate, the articles seldom zero in on the practical aspects of the Japanese style that can be of use to the first-line, American supervisor.

Many of the things that make up the so-called Japanese management style are found only in Japan's internationally competitive and "showcase" industries—the automobile, watch, electronic, camera and steel industries. Kyonosuke Ibe, chairman of the Sumitomo Bank of Osaka, points out that "the difference in productivity between a few highly efficient and extremely visible industries and the rest of the economy is conspicuous."[1] Additionally, the American worker's desire for independence and individuality might well prevent complete adoption of a Japanese style.

Nevertheless, what the Japanese do and how they do it certainly merits our consideration.

The bottom line of any management style is productivity, a sticky concept to quantify. Simply stated, it is output divided by input; for instance, goods or services produced versus raw materials, labor or capital input. More specifically, it might be corn per acre, steel per ton of ore, BTU's per ton of coal or widgets per labor hour. We are interested in the effect of Japanese management on output per labor input.

Despite the problems of productivity definition, the U.S. growth rate as measured by output per person per hour is acknowledged to have fallen over the post-World War II era. For example, productivity rose annually an average of 3.2 percent between 1948 and 1965; 2.3 percent between 1965 and 1973, but only 0.6 percent between 1974 and 1979. Despite these figures, U.S. productivity is the highest in the world, and is still increasing, although at a declining rate. It is easier, however, to have impressive grow rates when dealing with smaller numbers.

Most articles on productivity acknowledge that the entire blame for the decreasing productivity rate cannot be placed on workers or supervisors. Many factors contribute to lower productivity, such as governmental regulations (particularly those concerning safety, EEO and the environment), old plants and equipment and an increased ratio of unskilled workers entering the labor force. Observers note that Japanese industry may in fact have some advantages in these areas. Their governmental controls are more supportive of business development and are less restrictive in the areas of safety, EEO and environmental controls. Since the first-line supervisor can do little in terms of governmental philosophy, this article focuses on possible supervisory reasons for the declining productivity rate and insights

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that Japanese management may offer.

Dr. Jim Windle of Purdue University observed a number of years ago what he called a "nobody gives a damn" syndrome among U.S. workers. Others claim there is a decline in the "work ethic." Whether these are true or not, the burden of motivating workers still continues to fall on the shoulders of the first-line manager. Historically, every generation complains that the younger one has lost the work ethic. Nevertheless, indicators such as turnover and absenteeism rates are disturbingly higher in the United States compared to Japan. Although turnover rates vary from industry to industry, going as high as 400 percent in industries such as fast foods, the U.S. rate averages 20-25 percent nationally, compared to 5 percent in Japan. The higher turnover here can be partially explained by greater opportunity, more mobility and broader governmental welfare and unemployment compensation. But again, the supervisor carries the burden of convincing the worker that it can be beneficial to stay with the organization and to be productive.

Before looking to Japan for answers, let's examine their record and discount some myths.

The record

The United States imports 6,000 Japanese cars per day or 1.9 million per year, representing 23 percent of the entire U.S. automobile market. Since one out of five American workers has some connection with the auto manufacturing or servicing industry, foreign imports of this magnitude must be a concern.[2] Consider the market share of the following Japanese products just after World War II compared to their market dominance today: radios, tape recorders, hi-fi equipment, televisions, watches, automobiles, motorcycles, cameras and pianos. Additionally, the label "made in Japan" has been redefined from meaning shoddy, "five and dime" merchandise to "quality product."

All this comes from a land about the size of Montana, with one half the population of the United States, thus making it the most densely populated major country in the world, a land which is forced to import 100 percent of its aluminum, 99.8 percent of its oil, 98.4 percent of its iron ore and 66 percent of its wood and lumber.[3]

There are some myths about Japan's success that should be mentioned before discussing management style. First, Japan has more modern industrial facilities. An industry often cited is steel. In the steel industry, there seem to be differences in the efficiency of facilities. In 1978, of the 22 largest blast furnaces in the world, Japan had 14, the United States had none. With steel as an exception, having more modern facilities certainly was true for the United States for a period of time after World War II and during the major rebuilding period of the late 1940s and early 1950s. Today, some 30 years after the war, any gap has had to narrow. Robert H. Hayes reported in the *Harvard Business Review* that the use of robots is no more widespread in Japan than in the United States.[4] Richard Cyert, president of Carnegie-Mellon University, believes that the Japanese are only "a little ahead of us in robot technology" and hopes "we can jump over them with intelligent robots."[5]

Cheap labor is also a myth. Today, the wages of the Japanese worker are comparable to those of a U.S. industrial worker. It is also said that Japan can produce cheaper products because it gets a free defense ride under the umbrella of American forces. More realistically, Japan has the eighth largest defense establishment in the world. Another myth is that Japan's copying of products reduces costs. The Japanese take great advantage of foreign "know how," but they more than hold their own with new research. The United States spends 1 percent of sales on research; Japan spends 6 percent.

Finally, success is explained as being tied in some way to genetic characteristics of the Japanese or to their culture. Generally, the Japanese are industrious people. Children work harder and are expected to achieve more in school than American students. Because academic progress, and to some extent career placement, are based on scholastic test results, the Japanese have learned to be studious and inquisitive. Socially, there is greater respect for the law than in the United States and there are stronger ties to family and community. These things, however, do not ensure the success of Japanese style management. On the other hand, many American companies have essentially adopted the style with beneficial results.

"Japanese management works well because managers work hard at managing!"

The style

Characteristics that describe or have been identified as significant in describing the socalled Japanese style of management include:

• The Japanese are extremely curious about all aspects of their job and product. Ezra Vogel, author of *Japan as Number 1* says, "If any single factor explains Japanese success, it is the group-directed quest for knowledge."[7] They believe they can learn from anyone, superior or subordinate. What is the lesson? Any manager can develop the desire for knowledge, and it is certainly a trait valuable for supervisory effectiveness. Workers appreciate bosses who have the answers, are well-informed and have a handle on the technical details of their job. Despite the old adage that "curiosity kills the cat," one seldom knows when a piece of information will be of value. A manager does not have to be obsessed with collecting knowledge. The more we know, the more effective we can be.

• The Japanese are willing to sacrifice short-term profitability for long-term gain. Several factors explain this willingness. Greater job security and longer tenure decrease the pressure to produce immediate results. Secondly, there is more bank ownership of businesses compared to stockholder ownership. Thus, there is less pressure for immediate dividends and more willingness by bank owners to accept measures ensuring long-term profitability.

An example often cited is the U.S. automakers' decision to continue to manufacture the higher profit big cars despite the recognition that it might be more profitable in the long run to retool for smaller, gas-saving, but less profitable, small cars.

At the managerial level, supervisors need to reanalyze their tendency to think only of the short-term results or to suboptimize their efforts (making their department look good compared to other departments or to the detriment of the whole organization). In the total concept of performance, there should be emphasis on cooperation and long-term success, rather than competition and short-term success. To encourage lower levels of management to do this, higher levels must recognize this willingness can only be achieved if the risk has been removed.

• The Japanese emphasize quality control and attention to detail. One observer noted that American workers have a "we versus them" attitude, the "them" being the quality control department. The Japanese also have a "we versus them" attitude, but the "them" are the defects.[8] The end result, for example, is if the U.S. auto manufacturer has to add $100 to the price of a new car to cover warranty claims, the Japanese can get by with perhaps $10. In an unpublished address, W.J. Hayden, of the Ford Motor Company of England, noted that "80 to 85 percent of cars come off the Toyota assembly line without defects. At Saarlouis, our best plant, an average of seven or eight defects per car requires repair work." Zero defects appear to be almost an obsession in Japanese plants. In fact, planning, scheduling, controlling, inventory management and all other managerial functions necessary for quality receive great attention to detail.

• The concept that the company is an extension of the family is a important Japanese characteristic. Years ago, management thought in the United States downplayed "Cow Sociology" or the paternalistic approach to employee relations. The Japanese experience might indicate that our approach, which does not emphasize company dependency and loyalty, should be reconsidered. Many Japanese companies provide housing or home loans, sponsor company-employee off-work activities, provide employee country clubs and resorts and generally try hard to create *esprit de corps* and company loyalty. Work may even open and close with workers and managers singing the company song and exercising together.

For whatever the reason, workers have a strong recognition of codestiny with the company. There is a connection between their welfare and company success. The fraternal feeling in many companies comes from the Japanese emphasis on lifetime employment. Although fewer than a third of all workers are lifetime employees, this philosophy helps dispel the two-level caste system of hourly versus salaried employees.

In America, we continue to reinforce the idea of two social classes at work—management and labor. The "hourly employee" who arrives at work at 7 a.m. wonders why he or she has to walk an extra quarter of a mile across an empty "reserved for management" parking lot. Our use of the term "hourly employee" implies "expendable worker"—hired as needed, hour-by-hour. Most American adult workers do not view their job as temporary. They want, if given the opportunity, to feel that there is some sort of permanence to the job, and that they are not hired as "hands," but as co-employees with the ability to make valuable contributions. This attitude needs reinforcement from the top. The most important reinforcer is the firstline supervisor.

The Japanese success both with lifetime employment and company loyalty stems from, at least in part, a competitive initial selection of the worker. Companies often select new workers not so much on technical skill as on "will he or she fit into the company family?" Companies then train employees with "company specific" work skills and reward high seniority employees with premium wages.

Company loyalty, as well as respect for position, perhaps results from a feudal tradition. At the same time, however, compared to the United States, there is less concern with hierarchical status symbols. For instance, workers and management may wear the same blue-gray work jackets. There are fewer private offices and more commonly shared work areas. Japanese managers typically spend at least two hours a day in their employees' work places talking about employee personal "off-the-job" concerns as well as job problems.[9] The end result seems to be a greater feeling of equality and singleness of purpose.

• The Japanese emphasis on consensus management is greater than is generally found in American industry. We have been raised on a tradition of rugged individualism and forceful decision making. The Japanese, on the other hand, are willing to arrive at protracted decisions involving everyone affected. It is not necessarily that workers make decisions, but that they are consulted and thus develop the feeling that management will listen to them, consider their input and arrive at an open and fair decision. Consensus management has been criticized as perhaps discouraging manager creativity and/or giving the appearance of indecision, but for the supervisor's efforts and time spent in recognizing worker input, employee interest, loyalty and productivity is enhanced. American supervisors should recognize that their workers are no different than Japanese workers in their desire to have some control over their working lives.

As the term might imply, communication receives great emphasis in consensus management. Although Japanese employee advancement comes slowly, frequent job rotation gives both worker and manager better organizational understanding, increases awareness of interdepartmental problems and generally improves communication effectiveness. In addition, the Japanese worker often works as a member of a team. Since the group is accountable rather than the individual, there is necessarily greater inter-worker communication and social pressure to be productive. Of minor significance, both from the point of view of communication effectiveness and lifetime employment, is the homogeneous nature of the Japanese population, compared to the American "melting pot." Consequently, it may be easier for the Japanese to expand feelings of loyalty and unity of purpose beyond the family into the work organization.

The combination of consensus management, work team organization and quest for knowledge have led to the development of what the Japanese call "quality circles." Workers in groups are given time to delve into management problems. The benefits of quality circles are numerous. Workers appreciate giving input on problems that affect their work lives; for many problems, they may be the most knowledgable source. Workers are more willing to accept final decisions knowing they had input. Even when "quality circle" techniques are not used, membership in a small work group seems to enhance performance, increases job satisfaction and lowers absence and turnover rates.[10]

• Besides emphasis on thorough management of detail, the Japanese believe that a quiet, clean and orderly work environment develops a state of mind that will maintain or increase efficiency. Each worker is expected to keep his or her work station clean and well maintained. He or she is also expected to do minor and preventive maintenance, if he or she is a machine operator.

What can we learn?

The Japanese succeed by paying close attention to managerial basics. From the input to the output, they are interested in perfecting the managerial process with the ultimate goal of perfect products through error-free operations. Moving toward that goal requires employees who do not simply go through the motions for eight hours, but who are involved in their work.

Hatvany and Pucik sum up this philosophy by noting that "the essence of management in large Japanese companies is a focus on human resources."[11] They noted that this focus was emphasized by the following six techniques: emphasis is placed on continuous development of employee skills; employees are evaluated according to a multitude of criteria, rather than on just individual bottom-line contribution; work is group structured with a great deal of autonomy; open communication is encouraged, supported and rewarded; consultative decision making is used; and active, observable concern for each employee is demonstrated by supervisory personnel.

William Ouchi suggests that involved workers are the key to productivity. In his "Theory Z" approach, he incorporates all the Japanese style management principles that have been discussed. Most importantly, Ouchi states, the worker-manager relationship must be one of trust.[12]

Japanese management works well because managers work hard at managing. They realize their job is to facilitate the job of the worker by providing the tools and materials needed. Managers are concerned about workers as individual human beings, taking interest in their personal, off-the-job problems, as well as their work problems. They develop in the workers a "we-oriented" team attitude rather than an adversarial "win-lose" point of view. Management's commitment to workers develops a reciprocal commitment from workers. If the Japanese experience is as valid as it appears to be from their successes, their style offers ideas worth our consideration.

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