

The background features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic visual effect.

Managerial practices in Japan & USA & application of Theory Z.

Theory Z

- ▶ William Ouchi, a management researcher developed this new theory of management in the 1980s
- ▶ Theory Z is a business management theory that integrates Japanese and American business practices.
- ▶ The Japanese business emphasis is on collective decision making, whereas the American emphasis is on individual responsibility.
- ▶ **Theory Z** focuses on increasing employee loyalty to the company by providing a job for life with a strong focus on the well-being of the employee, both on and off the job. According to Ouchi, **Theory Z management** tends to promote stable employment, high productivity, and high employee morale and satisfaction.

Japanese Type Organization

1. Lifetime employment
2. Collective decision making
3. Collective responsibility
4. Slow evaluation and promotion
5. Implicit (understood, implied) control mechanisms
6. Non-specialized career path
7. Holistic concern for employee as a person

American Type Organization

1. Short-term employment
2. Individual decision -making
3. Individual responsibility
4. Rapid evaluation and promotion
5. Explicit (clear, precise, unambiguous) control mechanisms
6. Specialized career path
7. Segmented concern for employee as an employee.

Theory Z Type Organization

1. Long-term employment
2. Consensual, participative decision-making
3. Individual responsibility
4. Slow evaluation and promotion
5. Implicit, informal control with explicit, formalized measures
6. Moderately specialized career path
7. Holistic concern, including family