Comparison of Indian, American and Japanese style of Management

Indian style of Management

India is an enormously hierarchical society and this naturally has an impact on the style of Management.Several other important factors that have influenced the management style are - the diverse culture in India, huge population which makes labour abundant, British domination for more than two centuries that has ingrained bureaucracy in the system, socialistic-democratic structure of the Constitution, the rapid pace of global technology change, the aspiration of the youth to be a part of this change, the eagerness of imbibing global best practices etc.

In the post-independence era, Indian management style in the private sector could be best described as family management where the control and the ownership of the organization was in few hands and the organizational objective was to maximize profit even at the expense of exploitation of the weaker sections of the society. The government was trying to revive economy by investing in medical, engineering and infrastructure.The public sector organizations were steeped in the legacy of bureaucracy.

However with the passage of time, especially after the liberalization privatization and globalization in the 1990s, Indian management style has become progressive and professional particularly due to the operation of subsidiaries and associates of MNCs operating in India.

The Indian management style can be described under the following heads:
1. **Planning& Decision making:** India being a mixed economy, the coexistence of public and private sector puts it in a unique position.The private players have a short-term profit maximizing view, whereas the public sector takes a long term strategy.Some other salient features are –
   a. Collective decision making is rare and decision is typically top-down.
   b. Decision making process is very slow in the government sector organization.
   c. Lack of collective responsibility, more individualistic in nature
   d. Existence of extremely professionally organized companies to traditionally managed ones
   e. Great differences in organizational culture amongst companies.

2. **Staffing:**Huge educated labor force gives a lot of options to the companies for hiring. Extreme competition for jobs on one hand brings out the best in the employees but at the same time it is also a reason for conflict.
   Public sector hires for life whereas it is mostly hire and fire in the private sector. Promotion is on the basis of seniority in public sector but purely on the basis of merit in private.Employee loyalty is absent in private sector and job security in the public sector makes employees complacent.

3. **Leading:**Leading follows a middle of the road style.There are aggressive entrepreneurs in the private sector but they are greatly handicapped due to lack of ease of doing business in the country. The managers are usually bossy in nature and engages in public display of authority. Corruption is a very serious issue in India and more often than not corrupt practices are unearthed even in the most reputed companies.
4. **Controlling:**Managers control to the extent of micromanaging. Mostly managers believe in McGregor's theory of X. It is more of a blame fixing than problem solving attitude.Use of professional control procedures are rare.

Comparison of American and Japanese style of Management

Background, culture and general nature of people of US & Japan

United States of America is enormous in size.It is the third largest country in the world with a population of 325 million approximately. Americans come in all colors, have all types of religions and speak many languages from all over the world.They are extremely independent, individualistic and like to be different from each other.They believe in freedom of choice and follow the rule of law. Americans are extremely informal and call most people by their first name or nickname.They smile alot and talk easily to strangers sharing personal stories.Americans are careerists. They change jobs rapidly for career enhancement. However they have a clear line differentiating work and life and seldom work beyond office hours.American parents treat their children as adults and teach them how to be responsible for their actions. They do not hit their children but punish them by taking things away.

Geographically Japan is one of the most handicapped countries in the world. It is an island country with mountainous terrain (about 73%) prone to severe earthquakes and tsunami. An overwhelming 98% of the population is Japanese who are either Buddhist or Shintoists but religious inclination is not important to the Japanese people. The social norms of Japan are quiet rigid. They are collectivist by nature that is they believe in team game. By default Japanese are disciplined, committed, and nationalistic. They are polite and unobtrusive by nature. They believe in relationships and trust which takes a long time to mature. They respect private space avoid engaging in conversation with strangers. One startling fact is that the gender gap report puts Japan at 101 (as against 22 to US) due to the fact that females are a distant second compared to their male counterparts. There are very few female CEOs or political leaders. Women are mostly housewives and even if the join jobs they are expected to quit and take care of the family after marriage.

Management styles

Basis	American style	Japanese style
Planning	• Primarily short term orientation • Individual decision making • Decisions flow from top to bottom • Fast decision making but slow implementation • Operational decisions as tactical	• Primarily long term orientation • Collective decision making • Decisions flow upward and back • Slow decision making but fast implementation • Operational decisions as strategic
Organizing	• Individual responsibility • Emphasis on formal structure • Common organization culture lacking • Organizational change by external change agents	• Collective responsibility • Emphasis on informal structure • Common organizational culture and philosophy • Organizational change by consensus and internal change agents

Staffing	• Short term employment • Rapid upward movement • Segmented concern for employees • Professionalism • Specialized career • Rewards based on individual performance • Substantial difference in pay increase •	• Lifelong employment • Slow upward movement • Holistic concern for employees • loyalty to the organization • General career • Reward based on group performance • small differences in pay increase
Directing	• Directive style • Individual motivation • Separation of working and private life • Leader as decision maker • Top-down communication • Emphasis on written communication	• Paternalistic style • Group motivation • Confluence of working and private life • Leader as group facilitator • Bottom-up communication • Emphasis on face to face communication
Controlling	• Control by superior • Control of individual performance • Limited use of quality control circle	• Control by peers • Control of group performance • Extensive use of quality control circles