Leadership and Management in Japan


US-American personnel management concepts claim a universal validity. In fact, these concepts have been applied for several decades worldwide without consideration for local cultures. Japan is no exception. Most Japanese organizations are using models such as Management by Objectives (MbO). Nevertheless, the Japanese have very different expectations and behavior patterns than the people from the western world. Some European leaders may wonder how adequate leadership and communication with Japanese people should look like. The Japanese culture provides the answer

1 Traditional Values and Conceptions of Leadership

1.1 The influence of the religions

Cult and faith characterize Japanese society and its values. Japan's oldest cult is Shintoism. Although Buddhism came from China to Japan via Korea only in the 6th century, both faiths co-exist syncretically. "Thus, most Japanese people marry according to Shinto customs and bury their dead with a Buddhist priest. The Shinto-Buddhist syncretism emerged not only spontaneously from life in communities, but was also developed in targeted manner " (Coulmas, 2014, pos. 2086).

However, the Japanese already showed in this early period that they can skillfully take ideas from abroad and adapt them to their circumstances. For example, they developed Mahāyāna Buddhism as a Japanese form of Buddhism.

1.2 The influence of Confucianism

Confucianism was imported together with Buddhism from China. The two philosophies shaped Japan's culture, and from the 7th century the on, Japanese laws, state administration, the behavior of nobles, and the morality of common people. "Sincerity and incorruptibility are values inspired by Confucianism, while selflessness and overcoming human instincts is a Buddhist principles" (Coulmas, 2014, pos. 1964).
Although Confucianism was denied in various periods of Japanese history, its ethos still characterizes the behavior of the Japanese population, even though it is no longer under the name of Confucius. They are to be considered more as universal values.

The values cherished in Japanese culture are similar to those in Chinese culture. The family is the most important unit in society, and the individual does not assert himself/herself but subjugates his/her needs to those of the community, for which he/she serves dutifully in good faith. Respect for age and authority, frugality, and sincerity are virtues underlying behavioral patterns of the Japanese. Interpersonal relations are of great importance. Harmony and keeping face are guiding principles in steering communication.

1.3 Management and Leadership in Japan

1.3.1 Values and Behavior Patterns

- **Loyalty** to superiors, unconditional obedience to the family
- Constant aspirations toward further **education**, diplomas, and self-development
- **Avoidance of shame and loss of face** characterizes the behavior of the Japanese in a profound way. This endeavor applies not only to them as individuals, but also to their family, their team, their employers and even to Japan as a country. They perceive a loss of face in some situations where individuals from Western countries are not disturbed. The different perspectives are potential triggers of so-called "critical incidents."
- The **team is more important than the individual**. In contrast to individualistic cultures such as the American culture, Japanese people will not deny their colleagues any information in order just to profit. Japanese people always strive for harmony in the organization. Interestingly, they say they are indeed competitive. The best way to compete is to place yourself in the service of your team, as the team spirit is one of the most important criteria for their performance assessments and their careers.
- **Gratitude**: The (Confucian) principle of good will accompanies people in their relationships. Gratitude for a service provided by a superior is immense. Japanese say that such a large debt can never be repaid. The person concerned will feel committed to his/her superiors for life. This concept is called "on" in Japanese. For smaller debts, there is the concept of "Giri," which allows a 1:1 compensation.
- **Empathy**: While differing from **On or Giri**, the Japanese acknowledge "Ninjo" (human feelings) as a duty. Unlike in Western cultures, where people may outwardly say "I am sorry" or "I know how you feel," Ninjo is about feeling empathy without saying it (Whitehill, 1991, p. 11-12).
- **Legal systems versus trust**: While a single American large company can employ hundreds of lawyers, Japanese companies do not feel the same need. They rely more on relationships and trust than on legal processes (Whitehill, 1991, p. 49).
- **Conflict avoidance** with **Honne** and **Tatemae**: Honne is what a Japanese really feels and Tatemae is the facade behind which his/her feelings remain hidden. This duality may be regarded as hypocritical in other cultures. For the Japanese, it serves to preserve harmony.
This is especially important in the workplace, where required behavior is always characterized by Tatemae. Letting out emotions takes place in the evening, in the relaxed atmosphere of a bar with Misuari (whiskey with water) and possibly karaoke. Should a conflict arise between a Japanese manager and a German representative, where there is actually a great deal of potential for the German due to their direct communication style, the situation and the relationship can only be rescued through a special ritual called Nemawashi (planting little trees).

1.3.2 The value of employees in an organization

Both in Western countries and in Japan, managers will emphasize the importance of human resource management for organizations. There is, however, a major difference between these two cultures: the Japanese apply this principle very thoroughly. One example, among many, can be found in a speech by Keizaburo Yamada, vice-president of the Board of Directors of Mitsubishi Corporation (MC):

"MC is a company of 10,000 employees, sharing a common destiny. The leadership must strive to understand the thoughts of the regular employees, and vice versa." When one considers that the employees are part of the fixed assets of a Japanese company, it is understandable that their well-being is given a great deal of attention (Arthur M. Whitehill, 1991, p. 149).

"Workers Japanese companies are members of a group, and it is to groups, not to individual employees, to whom tasks are assigned" (Coulmas, 2014, Item 3133). Whitehill expresses the same principle with a quotation from M.Y. Yoshino, Prof. and Research Director at Harvard Business School: "The basic unit in the organization is a collectivity, not an individual. Herein lies one of the fundamental differences between American and Japanese management" (Whitehall, 1991, p. 117).

There is a fundamental difference with the West in terms of hiring employees. Japanese companies do not hire candidates for a particular position within the company, and employees are likely joining the company for the rest of their lives. Such an agreement, of course, implies a completely different relationship between employer and employee, for example in comparison to the United States, where workers are viewed at all times as interchangeable resources.

Functions are described vaguely on an individual level, since the individual employees do not receive assignments, since they are assigned to the team. On the team level, interactions are fluid, so that collaboration between the teams is encouraged rather than "guarding your turf."

The question arises as to how the individual in Japanese organizations ensures his progress. Here again, there is a fundamental difference to Western cultures. While people from Western countries see a conflict between their own ambitions and cooperation with others, the Japanese are characterized by teamwork, as this ability is highly valued.
This principle is confirmed by Whitehill:

“A good point is made that individuals in the Japanese Kaisha do compete. But such interpersonal competition is aimed at gaining the more desirable position assignments and special considerations in long-term career development rather than at getting an immediate promotion or salary increase. To a Japanese, the dichotomy seen by American workers between competition and cooperation is a false one. The Japanese way to compete is through teamwork” (Arthur M. Whitehill, 1991, S. 200).

1.3.3 Communication

Handling Information
The different perspectives and attitudes between Western and Japanese cultures are illustrated concretely in the way information is perceived and used: Americans and Europeans regard information as a means of power. Therefore, they may tend to deny information to colleagues to make their mark. Not so the Japanese, who provide information at any time in the course of working in the team and the organization (Whitehill, 1991, p.216). This sounds quite plausible, since like their employers, Japanese employees have a long-term perspective on their careers and do not rely on short-term success. Lifelong employment, which is largely practiced by Japanese companies, takes some pressure off the shoulders of the employees and favors a cooperative attitude.

Dealing with Silence
Like the Chinese but unlike West Europeans and Americans, Japanese deal very well with silence in their meetings. The activation of silent moments during work sessions is not unusual, the silence not being used for recreation per se, but instead for individual reflection. People from western countries who feel the need for a continuous flow of discussion in encounters do well to take this aspect into account when communicating with East Asians. "Those who have already spent long periods of silence with the team or in a meeting with the Japanese, and have not fallen into the Western habit of "filling the gaps" has truly arrived in Japan" (Haller, Nägele, 2014, p. 178)

Written, Oral, and Non-verbal Communication
The aversion toward legal agreements and toward lawyers is countered when it comes to written communication, where the Japanese consider annual reports, reports to government bodies, or documentation of complex content to be compulsory. Written communication strikes Japanese as cold, impersonal, and in particular, deficient with regards to common understanding of the content (Whitehill, 1991, p. 214). A statement by a researcher from the Mitsubishi Research Institute may confirm this reluctance toward writing in business transactions:

________________________

4
“Many Japanese Businessmen won't take any notes during a meeting. Top managers especially are supposed to be good listeners, with no memo pads or pens” (Whitehill, 1991, p. 214).

In oral communication, one constantly sees the importance of relationships and the desire for harmony and respect. Non-verbal communication is very important in interactions with the Japanese. Japanese have developed a fine way of communicating their expectations and feelings without words. The process which controls this mutual feeling is called "Haragei" (literally translated to English, "belly language") and is supported by body language (Whitehill, 1991, p. 218).

1.3.4 Decision-making processes

In Japanese organizations, decisions are initiated primarily by middle managers according to a bottom-up process called "Ringi," with the top management having the last word. The "Ringi" starts with the manager handing his subordinate executives a portfolio containing the details of the problem to be solved. The executives are then asked to present their view of the matter. In turn, these executives carry out the same action with their subordinate employees.

This ensures that all relevant opinions have been collected before the final decision is made. Finally, the folder returns to the initiator.

For managers from Western countries, such a process would be unimaginable because it delays decisions beyond local standards. Its great advantage, however, is that all the employees concerned are behind the respective decision, since they themselves were involved. The time invested before the decision pays off at a later stage when there is no longer any need to inform the affected employees about it, to clarify it, or, if necessary, to convince them of it. Decisions which are made alone by Western management and are merely communicated downwards often cause resistance and disagreement, because the basic thought processes which led to the decisions are unclear to the employees.

1.4 Management by Objectives in Japan

1.4.1 Preferences of Japanese employees

The contents of the table below are the result of a survey conducted on Japanese and US employees in 1981. The questions to be answered were intended to determine how the performance assessment process should ideally be designed for these employees in order to maximize their satisfaction.

<table>
<thead>
<tr>
<th>Präferenzen</th>
<th>Japan</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leistungen beurteilen und jeden Mitarbeiter über seine Schwächen und Stärken informieren.</td>
<td>30%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Tabelle 1: Mitarbeiter-Präferenzen USA-Japan (Whitehill, 1991, S.203)
1.4.2 Meaning of Management by Objectives for Japanese individuals

The above results underline the inhibitions of Japanese employees with regards to transparent performance assessment processes. Japanese people are particularly concerned with the revelation and discussion of their weaknesses, as this is likely to cause a loss of face. Only 30% of respondents would like to be informed of their weaknesses in addition to their strengths.

In view of the much greater power gap and higher masculine tendencies, Japanese employees seem to be better prepared for the MbO as a Western performance assessment concept than the Chinese. However, the tendency to avoid uncertainty is considerably higher than with the Chinese.

A study conducted by Osaka City University in 1999 shows that MbO has been used by numerous Japanese companies as a performance assessment system since the 1960s. In the 1970s, the popularity of the instrument was boosted once again: "As a result of high economic growth their intense commitment to the company seemed to decrease. Japanese companies had to find an effective way to improve employee's' ability and motivation in their work. Again, MbO became popular among such companies. This time, experience with MbO as a quota system led them to emphasize the participation of employees. They were encouraged to set their goals, to accomplish them, and To check theses accomplishments by themselves. Through participation, employees were expected to improve their ability abilities and work motivation."
MbO adopted Adopted in this way, MbO often lacked a chain of objectives from the top to the lowest levels. The objectives were set freely by subordinates and superiors were encouraged to accept them wherever possible” (Akiko Okuno, 1999, Sp. 49). MbO adopted in this way often lacked a chain of objectives from the top to the lowest levels. The objectives were set freely by subordinates and superiors were encouraged to accept them wherever possible” (Akiko Okuno, 1999, S. 49).

1.4.3 Recommendations to managers dealing with Japanese Employees

- Western leaders need to learn what leadership and management in Japan means. In the interaction with Japanese employees it is advisable, as in the case of China, to show the most appreciative and reproach-free guidance possible. Japanese employees have the tendency to do enormous hours of work, identify themselves very strongly with their employer, are honest, loyal and expect a benevolent attitude from the employer. Although their individualism is more pronounced than that of the Chinese, the Japanese are excellent teamplayers. This does not mean that Japanese employees can be seamlessly integrated into every team. The following constellations may explain this statement:

- The attitudes and behavior patterns that are far apart in comparison to Europeans endanger communication and harmony in the team
- Compared to Europeans, the Japanese are considered collectivists. In the eyes of the Chinese, however, they are individualists. Not only individualism, but also masculinity and the uncertainty avoidance show enormous differences between Chinese and Japanese. These discrepancies are likely to cause some problems in communication between the two cultures.