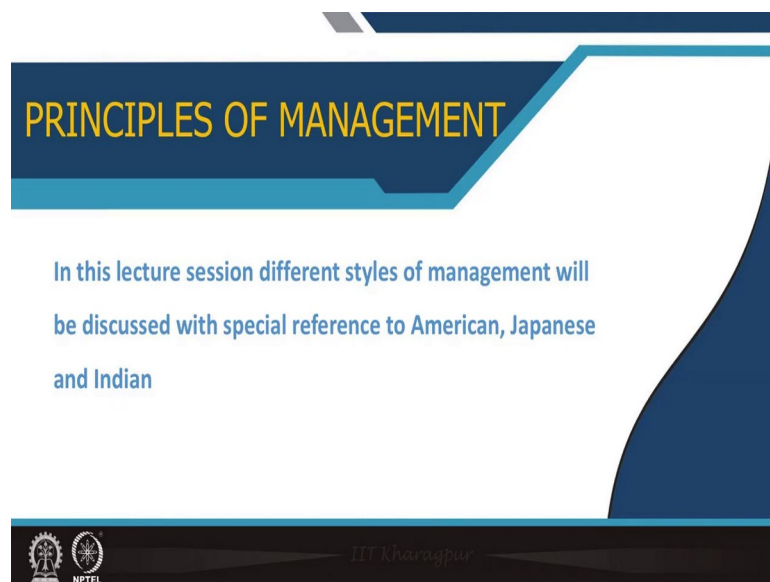


Principles of Management
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Module - 04
Lecture – 18
Style of Management (American, Japanese and Indian)

Welcome to lecture 3, in module 4, today we are going to discuss about a Styles of Management, in specifically we are going to look at American, Japanese and Indian styles of management. Let us get in to the lecture, ok.

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An overview of America, Japan and India in global context

A team from Harvard Business School, London School of Economics, McKinsey & Company, and Stanford has systematically surveyed global management over 10,000 firms in 20 countries special reference to America, found that:

- The organizations with better management massively outperform their disorganized competitors. They make more money, grow faster, have far higher stock market values, and survive for longer.
- American firms outperform all others. This U.S. dominance occurs in the manufacturing, retail, and healthcare sectors but not in high school education.
- Japanese, German, and Swedish firms follow closely behind America.
- Developing countries like Brazil, China, and India lag at the bottom of the management charts
- Middle stand countries like the UK, France, Italy, and Australia, which have reasonable but not brilliant management practices.

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So, before we you know trying to understand the styles of management of American, style of management Japanese and Indian; we need to understand why there is a necessity to understand the different styles of management.

You know there was a study conducted by Harvard Business School, London School of Economics, McKinsey and Company, and Stanford has systematically surveyed across the globe more than 10000 firms in 20 countries which is special reference to America as a reference point, ok. So, then the outcome of the study, they found that you know organization with better management has massively outperformed their disorganized competitors.

You know it is very obvious that you know companies with a better management style of handling the company are outperform their competitors. They make more money, they grow faster, they have far higher market share values and they survive for a longer period; the sustainability is really large compared to the other companies, where their style of management is not that great, better management is lacking, ok.

Now when with specific reference to the kind of a country they looked in; they found that you know American firms outperform all other, you know company with respect to other countries. So, America continued to dominate in manufacturing sector, retail sector, healthcare sectors; but not in the high school education, where you are talking about schooling education as such, you know that particular sector.

You know though American management did not been very successful compared to the other sector, where we talk about you know manufacturing or retail or health sector. So, US are actually outperformed any other country per say, ok.

Then next to America; so, what kind of a countries which are a better management? You know then comes Japanese, German and Swedish firms follow very closely, but behind America. Then you know if you look at the third world countries; whereas developing countries where as Brazil, China and India are lag at the bottom of the management charts.

We will you know, it will be very interesting to see; you know how, why there is a variation between the countries, why you know the importance to study the styles of management? Because you know that is actually going to contribute towards you know prosperity of the company.

Now, we are looking at you know MNCs, where you know companies from US setting up their business in India. So, why it is important to understand the styles of management?

Because I will let us imagine that you know you are happened to work in an American firm; the way they work it will be definitely different, the way they evaluate, the way they approach the problem, management problem will be definitely different from an Indian company. Because there is always likely that you know socio and cultural structures, we will try to influence the kind of management they do, ok.

Now, let us also talk about the middle countries; we talked about the US being the you know forefront, they were able to be you know better companies. Then we also seen that you know Japanese, German and Swedish companies were relatively better behind America, but we looked at you know India, China and Brazil they are all developing countries, ok.


So, they were actually at the bottom of the management chart; whereas you know if you look at the middle countries, you know the countries like UK, France, Italy and Australia which are reasonably good, but not that brilliant management practices, ok. So, we are going to see; though we discussed about many countries, we are going to specifically

focus on America, Japan and Indian style of management, how there is variations between these three countries?

It is very important to you know, you will be you know actually you will enjoy why we are specifically talking about American style of management, why Japanese style of management? Because there are contrasting style of management; though we talk about you know Japan is just behind America, but if you look at the you know style of management, it is absolutely contrasting to each other.

So, you will be surprised to look at you know; how come you know that contrasting style of management is, but despite the fact you know Japanese are just behind America. So, it will be very interesting to look at it.

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An Introduction about American Management

America is considered as the leader in modern management practice. The country has open and free economy and people of this country enjoy full freedom to lead their lives without hard and fast social rules and barriers. It is most advanced country in the world.

Being a capitalist country, the economic and commercial organizations of this nation are mostly run with profit making ideology and accustomed to the 'hire and fire' style of management.

The country pioneered its employment of manpower on contractual basis which has been adopted in most of the countries in the world.

The slide features a video inset of a man in a light blue shirt speaking. The background includes faint icons of a gear, a lightbulb, and a circuit board. The footer contains the IIT Kharagpur and NPTEL logos.

Now, let us talk about the American style of managements. Let us you know try to understand from you know the management perspective; how American style of management operates, ok.

So, America of course we often you know always treat you know US being the leader in modern management practice; you know they are always at the forefront in bringing about innovation, change, creativity even you know managing people. They you know, because the reason being you know the, the country is open and they follow free economic system.

And a people of this country are you know having a lot of freedom to lead their life the way they want; you know there is no hard and fast social rules or there are no such restrictions as we see in India.

It is not by the legislation we are talking about the social structure wise; you know there is no such you know restriction, there is no social rules existing in US, where they are very free to make you know people make their choices on their own, they are independent and there are free economic, even the companies they evolve so rapidly, ok.

So, being a capitalist country, you know America is always a capitalist country, you know they are driven by the capital approach. The economic and commercial organization of the nations are runs mostly on profit making ideology; you know they do not like you know have a parallel you know scope of like, you know I need to a very you know conscious about the people or I need to conscious about the welfare of the people.

No, they only focus on these American companies, mostly focused on the profit and ideology, ok. So, they always you know accustomed to the kinds of you know hire and fire style of management. And see I want you I will hire you; if I do not want you, I am I am going to throw you out of this company.

So, that is you know hire and fire style of managements, you know most predominantly seen in American companies; whereas you know you do not see that kind of a practice you know essentially even if you look at in India, where if you are hired, it is not that easy that you know you can you can fire an employee.

But you know when America where it is like you know, there no rules that says you know you are going to join my company, work in my company get retirement in my company; there is no such concept, they hire and you know fire, where I need you I will hire you and when you I feel that you know your service is not that relevant to me; I am do not require your service any more, then I will going to fire you out of my company that is a hire and fire of style of management, ok.

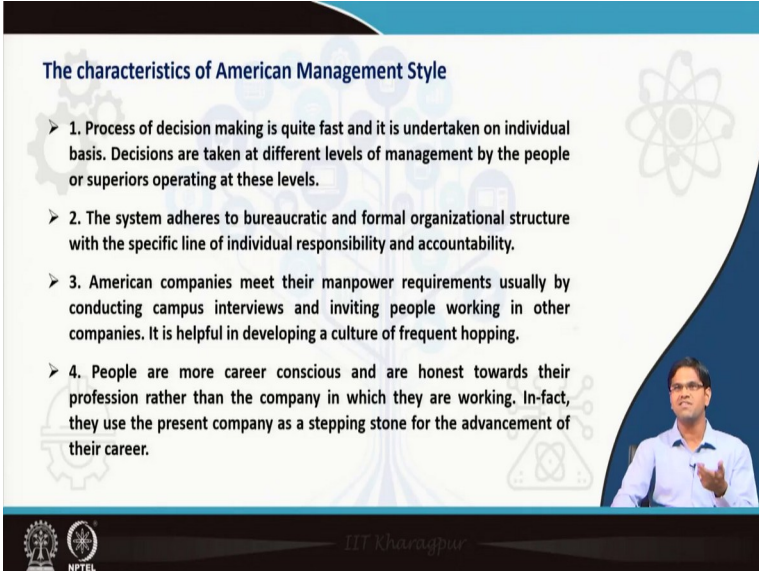
I you know this country actually pioneered the concept of you know contractual basis employment; you know they do not provide you a long-term employment, rather they specify I am going to engage you only for a definite period. It is like you know I am going to engage you for 1 year, 2 year they are the these are the country you know; US is

the first country to you know bring in the concept of you know contractual basis. You know let us say you know I am specifically hiring a one skilled person only for a specific definite period.

I do not want to just keep the person in my payroll, just because you know I want that particular skill; maybe if there is no relevant or let us say you know my company no more want that particular skill for my project or my company's routine activities, then I do not need to keep them on my role, right. That is where they come up with the concept of you know providing contractual basis to my employees and then of course, you know most countries followed it, right.

Now, even in country like India or you go to any other country; you always see there is a contractual system, where you will hire an employee for a definite period, ok. So, now, American style they mostly focused you know hire and fire style of management; they also believed it been the contractual basis, you know there would not been in you know long term employment.

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The characteristics of American Management Style

- 1. Process of decision making is quite fast and it is undertaken on individual basis. Decisions are taken at different levels of management by the people or superiors operating at these levels.
- 2. The system adheres to bureaucratic and formal organizational structure with the specific line of individual responsibility and accountability.
- 3. American companies meet their manpower requirements usually by conducting campus interviews and inviting people working in other companies. It is helpful in developing a culture of frequent hopping.
- 4. People are more career conscious and are honest towards their profession rather than the company in which they are working. In-fact, they use the present company as a stepping stone for the advancement of their career.

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Let us see more about the characteristics of the American style of management once. The process of decision making is quite fast, it is undertaken by the individual basis, right. So, you know individual occupying the different levels in the organizations; they are given the you know authority to take decision and they take a quicker decision, because you know they do not follow the you know like in it has to go up to the upper you know

higher level to get the permissions. If you are at this particular level, you can take decision for your own level, so that the decision is much faster and quicker.

And you know American management style also you know adheres to bureaucratic and there is a formal organizational structure. And it also defines the individuals you know roles and accountabilities and responsibilities defined to the individual role; it also clearly demarcates what are the you know power invested to a particular individual in this particular you know level. So, you know.

So, that you know there is no stopping of this particular individual; because you know let us say you know the boundaries drawn for a particular individual, so it is up to the individual to use the boundary.

So, beyond the boundary yes, there is a formal structure which will govern ok; you are just crossing a boundary, the moment you cross you follow this organizational structure or the pattern, unless otherwise you know you are free to do whatever you want to do within the boundaries. So, that is where there is you know bureaucratic and then formal structure; but of course, there is a clear demarcation and definition for the individual responsibility in the particular level, ok.

So, American companies meet their you know manpower requirements usually by conducting you know campus interviews or even you know letting the people move from one company to other company; because they feel like you know they always want you know developing frequent hopping.

You know I can quickly you know change, because let us say a new set of employees coming in and I am hiring a fresh graduate from my you know from the colleges. So, I can easily you know rope them up, you know make them learn about my way of style of or functioning, ok.

And you know here in US you are look at, you know people are more you know career conscious and they are very honest towards their profession not the company. See if you are mechanical engineer, they being very honest; they been very you know the whole their integrity and value system to the particular profession not to the company.

Whereas, you know if you look at in India where you know more than the you know kind of an association we make to our professions; their loyalties associated with the company. You see I you know in Indian people always value the company first, then the kind of a profession they do; whereas in an American style.

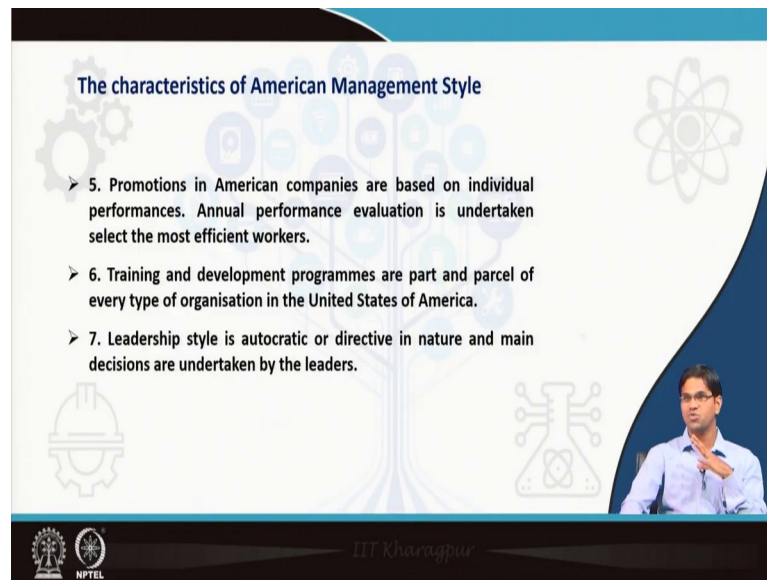
So, where the people of the company in US they only value their profession you know that is the first you know; their you know their engagement, their loyalties only to the profession not to the company, ok. So, you know they always treat you know; see this particular company giving me an opportunity to learn and you know it is giving me an opportunity to advance myself, so then I can move up to the ladder.

You know move up the ladder not within the company; if I find a better option the outside, I am always free, because that is where the American style of management is very unique compared to the other countries.

Because you know where in our country where we always see you know when my country you know my company has given me a lot of opportunity that you know I need to stay back; you know give it back, you know I should only progress here, I need to wait 10 years to become a manager.

Whereas, in US it is not the case, you know I learnt, I am adequately skilled; let me look at an opportunity where I can quickly grow. So, that is where the kind of you know people and then the companies also used to it; you know they do not restrict you know, they treat individually and you know if the individual finds there is a better opportunity, they say you know handshake and then say bye. So, that is how the culture of you know management style in US.

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The characteristics of American Management Style

- 5. Promotions in American companies are based on individual performances. Annual performance evaluation is undertaken select the most efficient workers.
- 6. Training and development programmes are part and parcel of every type of organisation in the United States of America.
- 7. Leadership style is autocratic or directive in nature and main decisions are undertaken by the leaders.

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Then promotions in America is based on individual performances not on the you know collectively; you know when the team performance or a group performance, no, there only it is only on individual performance. Let us say you know individual a Mr. Phillip; let us say an example Mister Phillip does this and then you get the you know appropriate or accordingly the promotions (Refer Time: 11:00).

It is not you know Phillip works in the particular group a and you know collectivity group a is no; it is only on the individual performance. And you know training and development of course you know part and parcel of every type of organization in the United States of America.

And leadership style is autocratic or directive in nature; you know leadership say it will tell you, what you have to do. And main decisions or the major decision; I would say the major decisions are always taken by the leaders, not given at the middle level management or the people at the different levels, you know the major decisions or the important decisions are always made by the leaders.

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The success in American Style of Management

- One of the biggest drivers of the success is the variation in people management. American firms are ruthless at rapidly rewarding and promoting good employees and retraining or firing bad employees. The reasons are manifold.
- There is tougher levels of competition where U.S. open markets generate the rapid management evolution that allows only the best-managed firms to survive.
- Human capital is important in context that America traditionally gets far more of its population into college than other nations.
- There is more flexible labor markets in this country which is much easier to hire and fire employees at any point of time.
- Organisations or business houses of many developing countries ignore the fact that labor is different from other inputs, even while trying to implement new techniques like Lean Management.

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So, these are the you know American style of management and you know we will also see you know a success in you know American style of managements.

So, the one of the biggest drivers of success is the variations in people management, ok. So, a why the variations in people management? Because American firms are ruthlessly rapidly at rewarding and promoting good employees; say meaning that you know, see for example, as an employee you do a better job, they go aggressively give you a huge incentive, they there is just quickly pull you to different levels.

For example, take an example of you know Sundar Pichai; you know he is been really good and he is been promoted and then he became a CEO of Google, then he became a CEO of both Google and Alphabet, right.

So, that the parent company of Google. So, it is like you know they do not restrict themselves to reward people; you know they go start aggressively say, yes you are contributing to my company, you are doing an excellent job, fine take this. So, this is the reward we are going to give.

And at the same time, if you are bad; come on that is the end of the day you, please better leave my company, I am not actually enjoying your performance, you are not contributing towards my company.

So, that they just say quickly you know fire them or at least they say ok; you see you are not contributing, better you go train retrain yourself, you know like you know shuffle up and then quickly you know improve yourself and then come back and start to perform.

That is kind of an expectations set; that is why you know the American style of management they have seen there is huge success kind of you know every organization. Because you look at you know, you have been your contribution is really valued and then it has been rewarded instantaneously.

Then you know what will happen, you have always you carry a lot of motivations, right. You wanted to contribute bring in a lot of innovations; that is why American companies outperform another company, you know other companies in the other world, right. There is a tougher level of competitions where you know US open markets generate rapid management evolution that allows only the best manage firms to survive.

It is very simple because you know that their thought process is very fast; they evolved so quickly, they keep changing the way they do the business, they their management styles are rapidly changing. So, whoever is able to catch up and live up to the level are able to survive the business; otherwise the you know other firms will eventually go off their track.

For example, you know in you know early 2000s, where we looked at you know Yoo been preferred over Google. But eventually if you look at now the way which has been turned around, where Google been become a most preferred you know search engine site compared to Yoo; why? Because you know the best managed you know well made firms used to survive and then they compete in the market, not the other companies. So, that is a classic example being these two companies right, you know Yoo and Google.

Then han capital is more important in America traditionally, because you know and moreover like you know they get a lot of graduates, they have great schools in you know US. School in the sense you know I am talking about the graduate schools and colleges we are talking about. They get you know that there most of the populations get into the graduations and then they get a well-qualified people for their workforce, right.

And there are more flexible labor markets in this country; because you know there is no specific you know federal, I would say in a federalized nothing, but you know where our

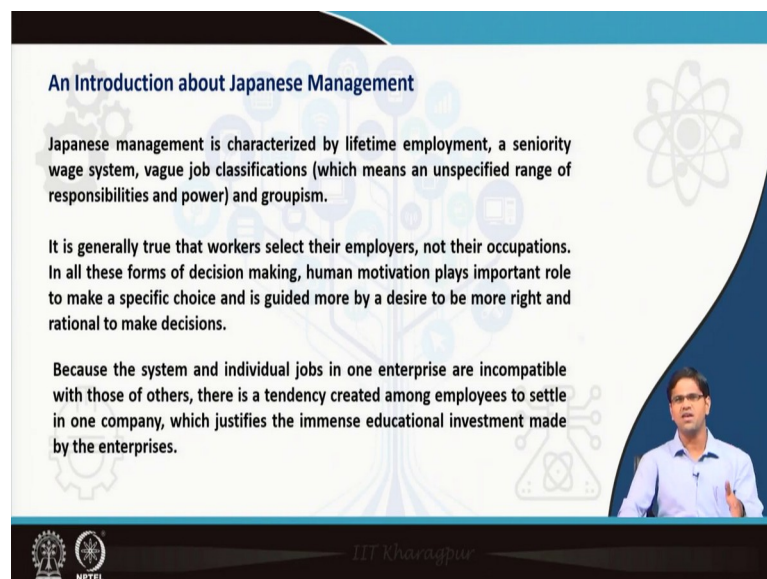
government law right, you know central government legislations. That is called we called as a federal law or a state legislation in US, where there is no you know strict federal law which says, you know you need to keep a person even though if a company do not do.

So, whereas, you know that the hire and fire is very easier; you know any point in time you can easily hire and terminate an employee employment contract with the you know employee and employer. It is always between the contract between the employee and the employer, not between you know there is no not that strict legislation it is going to govern.

Then organization or business houses of many developing countries; ignore the fact you know labor is different from the other inputs. You know that is why you know US was able to be on the top that, the reason being you know other countries they always ignore that they are not able to differentiate between the you know how the labor input is different from the other inputs, right.

The other inputs we are talking about technological inputs or you are talking about you know materials or the management practices and styles of the practices; the inputs are difference, where the other countries have ignored. So, but you know US is very particular about you know what is the importance of this labor inputs; you know they treat it differently that is why you know they have been very successful, ok.

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An Introduction about Japanese Management

Japanese management is characterized by lifetime employment, a seniority wage system, vague job classifications (which means an unspecified range of responsibilities and power) and groupism.

It is generally true that workers select their employers, not their occupations. In all these forms of decision making, human motivation plays important role to make a specific choice and is guided more by a desire to be more right and rational to make decisions.

Because the system and individual jobs in one enterprise are incompatible with those of others, there is a tendency created among employees to settle in one company, which justifies the immense educational investment made by the enterprises.

The slide features a blue and white color scheme with a background of faint gear and atom icons. A small inset image in the bottom right corner shows a man in a light blue shirt speaking. The footer contains the IIT Kharagpur and NPTEL logos.

Now, we learnt about the American style of management, why they have been very successful and you know how do they be very aggressive in the management styles. Now, we are going to look at the Japanese you know management style.

Now, the moment we just learn, you will see there is a contrasting management styles, ok. See Japanese management is often characterized by the lifetime employments ok; is lifetime employment is you know when you get into a company you get a permanent employment.

And seniority wage system; it is nothing, but you know as long as you stay the older you are in the organization, the more the salary you deserve. Whereas, in American style, we have seen that you know whoever you know performs really well; they are going to reap the benefits, you know they are rewarded really high, right. And the vague job classifications, you know meaning that of the job responsibility it is not very clearly defined; the demarcation between two different job roles are not very clear.

And then it is more of a groupism, it is not about the individual, it is always a collectivist country; you know Japanese they are all collectivist in nature, they are groupism. It is not the individual, here it is a groupism; whereas, in American management style, we found that you know it is more of an individual, you know even the evaluation is done on individual, not on the group incentive. It is only individual incentive; you do you repeat, you know you take away whatever you are contributing, ok.

It is generally true that, you know workers select their employers, not their occupations. It very interesting look at you know, in Japan people select their company not the occupations; whereas in US we have seen this is right sort of people being very loyal to their profession not to the company. Where you have seen you know Japanese people look at the other way around; where they look at you know they want to choose the company, not the job, right.

So, you know this form of decision making you know all of han motivation plays an important role; because there are cultural perspective also drives the way they look at it right, because Japanese culture collectivists in nature, so they see you know job not just as the profession, it is they kind of a life. Because they are going to stay and live in the company until the time, they get retired, so they only choose the company not the job, ok.

And you know see for example, you know this is because the system in individual jobs in one enterprise are incompatible with those of others; there is a tendency created among employees to settle in one company, because in Japanese cultural it is like you know you stay and you join a company and stay there. And you know which justifies the immense investments made by the enterprises, right.

You know that is why you know a companies are also invest a lot of their resources in terms of training the employees, you know send them upgrade their scales; because they know that you know I can invest huge amount of you know money on the training or skilling my people, because I am very certain that they are going to stay back in my company, they never leave that is the you know style you know Japanese you know way of style of management, right.

Because they are assured that you know, when an employee joins, they stay back in my company; they work and until the time they get retired. So, they their life, they stay longer in the company. Whereas in American style it is no, you know I liked the company I joined, if I do not like the company I move; because you know my loyalty is only to the particular profession not to the company, ok.

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The slide is titled "Characteristics of Japanese Management style". Below the title, it states "Eleven most important features of Japanese management are:" followed by a bulleted list of eleven items. The background of the slide features a stylized tree with various icons (like a laptop, a gear, a person) and a molecular structure. In the bottom right corner, there is a small video inset of a man in a light blue shirt. At the bottom left, there are logos for IIT Kharagpur and NPTEL. The text "IIT Kharagpur" is also written in the bottom center.

Characteristics of Japanese Management style

Eleven most important features of Japanese management are:

- Life time employment
- Discrimination
- Recruitment
- Seniority wage principle
- Training
- Enterprise unionism
- Single status
- Employee involvement
- Core and peripheral workers
- Employee welfare and
- Internal labour market.

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Now, let us look at the characteristics of the Japanese management. There are eleven important characteristics of the Japanese management style; one is you know life time employment, discrimination, recruitment we will see one by one, ok.

There are eleven characteristics, which actually you know very peculiar and important to the Japanese management style. Let us see one by one.

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The slide is titled "Characteristics of Japanese Management style" and lists "Eleven most important features of Japanese management are:" followed by three bullet points. The first bullet point is "Life time employment : Organisations in Japan provide permanent and life time employment to workers until they decide to retire." The second is "Discrimination: Japanese ideology does not reflect a tendency towards discrimination at the work place in the sense that male workers have higher chances of a job for life, as opposed to women." The third is "Recruitment: The recruitment procedures for new employees are more rigorous to ensure the cream of the crop are identified, utilized and cultivated." The slide also features a small video inset of a man in a blue shirt and a footer with logos for IIT Kharagpur and NPTEL.

Characteristics of Japanese Management style

Eleven most important features of Japanese management are:

- **Life time employment** : Organisations in Japan provide permanent and life time employment to workers until they decide to retire.
- **Discrimination**: Japanese ideology does not reflect a tendency towards discrimination at the work place in the sense that male workers have higher chances of a job for life, as opposed to women.
- **Recruitment**: The recruitment procedures for new employees are more rigorous to ensure the cream of the crop are identified, utilized and cultivated.

One is lifetime employment, as I said you know the main difference between the US and Japanese management style is this, you know lifetime employment. You know one joins and then you know company provides them a permanent employment; you know workers will stay until they decide to retire, otherwise they work in the company.

It is like you know where we talk about you know in India, where we talk about the government organizations right; when you get an employment in a government organization, most likely people stay till the time they get retired. Whereas, in the private of course the people move, not they stay; but whereas in Japan it is different, where they stay until the time, they get retired.

And discrimination, Japanese ideology does not reflect the you know gender discrimination in terms of male being preferred or female being preferred; they treat you know both equally. And recruitment see, you know recruitment procedure for new employees are more rigorous; why?

Because they wanted to identify the most qualified individuals and because you know they are going to keep them for the long term and they are going to invest a lot of money to train them, keep them for the company for a longer time.

So, the recruitment is very regressed activity in Japan, it is not an easy activity,

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Characteristics of Japanese Management style

- **Seniority wage principle:** This is based on the wages of employees being linked to the number of years he has worked. It is used on the premise of securing long term loyalty from the employees for the firm.
- **Training :** Japanese system involves the continuous training of core staff to ensure their training needs match with those which benefits the achievement of organisational goal.
- **Enterprise unionism:** Japanese trade unions aim for shared prosperity, with security of employment and the stability of the business being the main prerogatives. Corporations in Japan are encouraged to extinguish independent trade unionism and replace it with the system of enterprise unionism

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Then seniority wage principle, as I said in the you know previous slides at you know in Japan; the wage system is based on the years of experience. As your years of experience increases, your wage also increases gradually you know in parallel with your years of experience, right.

So, it you know whereas in US it is completely different; it is based on your performance, whereas here it is based on your years of experience you stay with the company, the longer you stay in the company, the higher this wage you take away, ok.

And training of course, you know the Japanese system involves the continuous training of core staff to ensure their you know training needs match with those which benefits the achievement of the organization goals; because as I said, they do not hire new employees; they going to keep the same employee. So, it is very important that they invest money in training them, so that you know they are able to you know contribute towards achieving the organization goals.

Then enterprise unionism is nothing but you know Japanese trade unions aim is to over a shared prosperity. Shared prosperity is means that you know, as an employee, as an employer also we have to share a collective you know growth and collective prosperity; you know though one concern for the employers you know security of the employment, I

need to be assured that you know I am going to have the employment for a longer period and I need to be provided with the adequate salary.

And you know I also wanted to ensure my company's business is stable; they are progressing and there they are having a you know prosperity also. That is the you know enterprise unionism; it is not about you know as an employee they only focus on their individual represents; no.

When the Japanese you know they collectively look at it, you know that there is a shared prosperity, you know I also grow and my company also should grow. So, that is the collective you know look at it, you know Japanese way always follow enterprise unionism.

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Characteristics of Japanese Management style

- **Single status:** Management is often trained for some period on the shop floor, wearing the same uniforms and sharing the same dining areas to become more familiar with the shop floor workers.
- **Employee involvement :** From making suggestions on the shop floor to improve efficiency and productivity through the involvement in the business decision making process. Decision flows from bottom to top.
- **Core and peripheral workers:** In the Japanese management system, large organisations often recruit a core work force which is considered to be the long term permanent staff. There is procedure for slow evaluation of work and employees promotion.

The slide features a blue and white color scheme with decorative icons of gears and a person. A small inset video shows a man in a light blue shirt speaking. At the bottom, there are logos for IIT Kharagpur and NPTEL.

Then single status, it is very interesting; you know single status is even the management people in Japan, they you know even the family own businesses. You will be surprised to look at the start as a staff; they stay there, they learn, they will be on the shop floor, wearing the same uniform, sharing the same dining areas with the you know other employees before they become the management.

Even if they are a management people, they still work you know; I have seen a few companies in Japan that you know where both the father, you know son and wife works together in the same company.

You know when they come in you know all three of them, they have to punch in and if they are you know coming late; you know one has to report to because for example, a father and son. But you know even if a son comes late, he has to punch out and say the reason why he or she is become late to the office. So, that is a kind of you know single status system they follow in Japan.

So, employee involvement, you know employee involvement is really high; because you know from making suggestions on the shop floor to improve efficiency, productivity and there are a lot of engagement by the employees.

It is from always you know the decision flows from the bottom to the top, not the top to the bottom; whereas in American style we say it right the important decisions are always taken from the top, they say you do this, it is going to be you know directive principles, you know they say and then it has been followed. Whereas, in this is other way, top or top to bottom approach; you know it is a bottom to top approach. So, where the people at the bottom will provide inputs it, it goes to the top.

And core and peripheral workers you know Japanese management system large organizations recruit core workforce; you know which is considered to be the important and they are going to be a long-term permanent staff, ok.

So, but there you know evolution of the work is very slow and employee promotions also very slow; the reason being you know they know that it is very certain, one employee joins, they will stay longer till the time they get retired. So, the promotions also very slow, because if we cannot provide a rapid promotion; then what do you do, now where do they promote?

See in whereas, in you know American style of management you give a rapid progress; because you know people always look go for a better opportunity, they move out of the company.

Whereas, in here you know it is not possible right; they stay longer, because that is a cultural and shared values and belief system in Japan that you know they stay in the same company, they do not change the switch to the company. So, company cannot have more rapid promotion; the moment you give rapid promotion, then where do they grow again, right. So, we need to they will have a slow promotion policy.

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Characteristics of Japanese Management style

- **Employee welfare:** Japanese manufacturers provide a complete welfare packages for the employees such as reduced priced goods, health care measures, low rent housing and low rate loans etc. There is holistic concern for the employee as a person.
- **Internal labour market:** The Japanese system favours the employers promoting people from within the organisation as against the external recruitment, thereby thrust on utilizing skills and experience from a wide range of workers within the organisation. There is non specialised career path.

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And the employee welfare, so Japanese manufacturers provide a complete welfare packages for employees such as reduced-price goods, means you know concessional prices or reduced prices. And healthcare measures absolutely they provide better health care measures, insurance policies and low rent housing and low rent loan or low rate loans to their employees. So, they provide a lot of welfare measures to their employees.

Then internal labor market; internal labor market is nothing but you know, they believe in the concept of you know leaders within the organizations. So, for example, I wanted to have a manager, meaning that you know I will actually be groomed somebody in the same company make them as a manager.

If I wanted to make somebody as a GM; I will groom people from manager to become a GM, ok. So, that is you know internal labor market you know they look at it right; they you know groom within, fine.

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Comparison between American and Japanese Management style

Academicians have identified certain features which make differential styles of management between America and Japan. Such as-

American Style	Japanese
Employees work at individual responsibility	Employees work as group responsibilities
Competitive mind	Team work mind
Minimum respect to employer	Substantial respect to employer
Loyal to self and work to live	Loyal to company and work with collective responsibilities
Directive style	Paternity style
Monitoring by managers	Monitoring by employees
Prompt decision making	Delayed decision making

The slide also features a speaker in the bottom right corner and logos for IIT Kharagpur and NPTEL at the bottom.

So, we let us look at the you know difference between the American style of management and the Japanese style. So, in American employees work individual responsibility; whereas here group responsible, where I said you know groupism versus individualism. And you know in America it is always a competitive mind; whereas here it is a teamwork, you know they collectively work.

And they have minim respect for the employees and the reason being you know, because their loyalties only to the profession not to the company; here it is you know a substantial as well, because they join and then get retired here, ok.

The loyalty to self and work to live and whereas, you know loyalty to company and work with collective responsibilities. And as I said you know a directive style of leadership, where it is a paternity style; where it is always you know bottom to top.

And it is a monitoring by managers and monitored by employees; meaning that you know that they take self-initiated to monitor themselves, you know whereas there, there is a defined hierarchy will monitor.

And prompt decision making, because the decision makers are very fast and rapid; whereas here the decision making is delayed, because they have to take a lot of inputs from the you know people at the bottom to provide the decisions, ok.

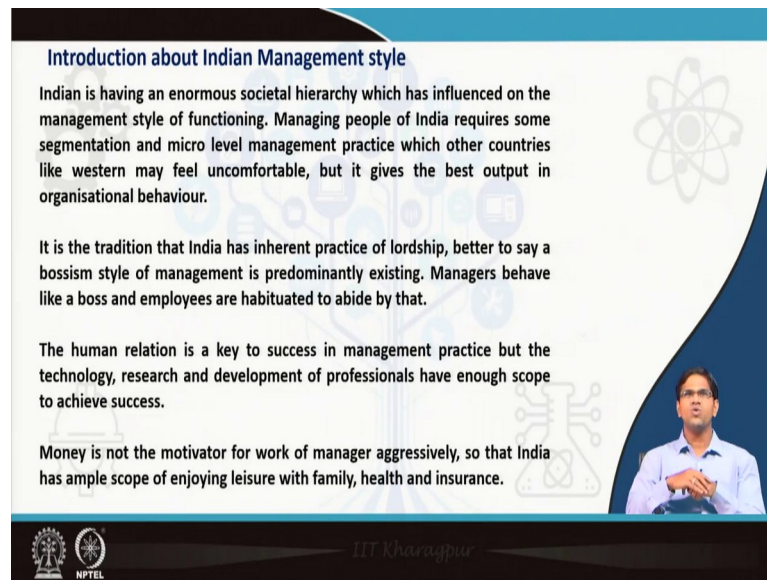
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American Style	Japanese
Short term employment	Lifetime employment
Rapid evaluation and promotion	Slow evaluation and promotion
Explicit formalised control	Implicit informal control
Specialised career path	Non specialised career path
Segmented concern	Holistic concern

Then a short-term employment in US, whereas the long-term employment; and rapid evolution and promotion, whereas here it is very slow promotions. And you know explicit formalized control, there is a defined hierarchy that follows; it is implicit in nature, you know where within the company there are different power and politics policies will play and that will drive the Japanese management style.

Here is a specialized career path, here there is no specialized career path. As you know there are different designation with the specialized skills at in US; whereas here it is not the case, because there is skill train the people, because they keep them for a long term. And segmented concern, here it is a holistic concern. So, you know it is only as spend specific focused one here; it is you know always a holistic one. We looked at the you know American and Japanese.

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Introduction about Indian Management style

Indian is having an enormous societal hierarchy which has influenced on the management style of functioning. Managing people of India requires some segmentation and micro level management practice which other countries like western may feel uncomfortable, but it gives the best output in organisational behaviour.

It is the tradition that India has inherent practice of lordship, better to say a bossism style of management is predominantly existing. Managers behave like a boss and employees are habituated to abide by that.

The human relation is a key to success in management practice but the technology, research and development of professionals have enough scope to achieve success.

Money is not the motivator for work of manager aggressively, so that India has ample scope of enjoying leisure with family, health and insurance.

The slide features a speaker in a light blue shirt on the right side. The background is white with blue accents and faint icons of a gear, a person, and a network. Logos for IIT Kharagpur and NPTEL are visible at the bottom left.

Now, let us look at the Indian management style. It is very interesting, since we all live in India; so, it will be very interesting to learn about you know Indian style of management, because we had looked at the both the countries America and Japan, now we will see what the Indian management style is.

So, Indians having an enormous societal hierarchy which has influenced the way management also functions; because you know we are societal hierarchies are always there, there are classifications that will actually influence people.

So, because of this you know societal hierarchies, you know the management in India always requires people to segmented focused or the micro level management practices as to be required. But you know most often you know there is you know western countries, they feel uncomfortable to have a micro level management, where for example, if I given one responsibility, I do not need to go and micromanage things.

Whereas, in India, because you know we are all having a lot of societal hierarchies that is actually require; you know micro level management is required. You know India in tradition that India is inherent practice of lordship; meaning that you know the bossism style of management, which is nothing, but you know where you know managers always feel like they are a boss.

Employees are always habituated, you know they because you know we followed that you know there is a boss and the follow a relationship; you know servant leadership kind of a thing, where you always you know the managers are the boss and we are habituated to obey by whatever the manager says. So, you know it is just because of the way the cultural practices in India.

Whereas, if you look at in India, you know money is not the only motivator for the managers right, because there are other things associated. You know they also talk about you know the quality of time they spend with the family and they care for their health and the you know they did not agree with the exploitations happens and then there are associated benefits to be provided; it is not only the money which is driving the managers you know contributions, right.

You know that is where the differentiation between Indian and America also comes into a picture.

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Characteristics of Indian Management style

The characteristics of Indian Management styles can be discussed herewith as follows-

- **Hierarchical status:** Because of the hierarchical structure of Indian society managers are treated differently. They are often trained to lead the organisation as boss and ultimate respect is granted for them.
- **Maturity of management :** Strong management skills and continuous effort to invest for initiatives to strengthen the organisation are always practiced as Indian management style.
- **Structural empowerment:** Some Indian companies are exercising cross functional analysis of individual performances for gainful empowerment through research, training and development.

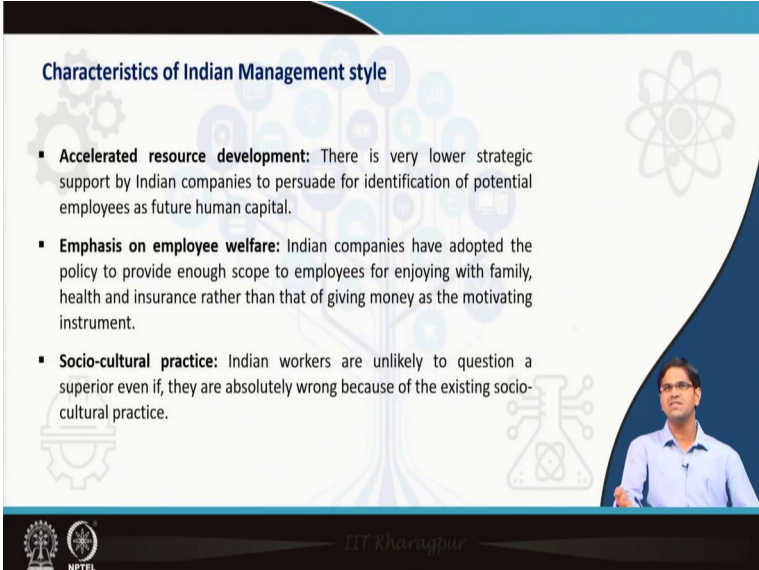
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So, let us look at the you know some of the characters of Indian management style. So, hierarchal status, you know because of the hierarchical structure of Indian society; so, managers are always treated with a lot of you know a specific you know treatments. Like you know they get a lot of advantages being a manager; because they always you know treated as a boss, ok. So, and people give you know ultimate respect is granted to the managers, ok.

Then maturity of management, you know strong management skills and continuous effort to invest for initiatives to strengthen the organization are always practiced as Indian management style. You know they always feel that you know over the period of time, you let allow people to you know involve engage and then grow that is kind of a maturity (Refer time: 29:38) maturity model, thus you go and then there is a maturity phase you learn.

And there is a structural improvement you know; Indian companies are exercising cross functional analysis of individual performance for gainful empowerment. So, let us say for example, let us you know one person can be good at the other cross functional, make them learn the other cross functional areas and then empower them, so that you know they become a potential manager to handle the business. So, there is a cross structural empowerment.

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The slide is titled "Characteristics of Indian Management style" and features three bullet points. The background is light blue with faint icons of a gear, a tree, and a person. A presenter is visible in the bottom right corner. The slide includes logos for IIT Kharagpur and NPTEL at the bottom.

- **Accelerated resource development:** There is very lower strategic support by Indian companies to persuade for identification of potential employees as future human capital.
- **Emphasis on employee welfare:** Indian companies have adopted the policy to provide enough scope to employees for enjoying with family, health and insurance rather than that of giving money as the motivating instrument.
- **Socio-cultural practice:** Indian workers are unlikely to question a superior even if, they are absolutely wrong because of the existing socio-cultural practice.

Then you know there is accelerated strategic resource, means very lower strategic support by Indian companies to persuade for identification of potential employees. For example, you know there is very slow identification of you know a particular employee to grow them or you know mushroom them as the future leader in the company.

Whereas in America they always identify the leaders and they groom them and make them as a better leader and then give them the opportunity of becoming a CEO. Whereas, in India it is a very low strategic support by the Indian companies (Refer Time: 30:33)

within the company; they always look out you know somebody from outside can come and become a leader of the company. So, that is where the differences, ok.

Emphasis on employee welfare, of course you know Indian companies have adopted a lot of policies to provide enough scope for employees to enjoy with the family. As they spend quality time with the family, health insurance and other associated benefits; but not only the money as a motivation so there are other benefits are always drive the employee welfare.

And socio-cultural practices, you know by the you know Indian system of living the; because of the socio-cultural practices, you know the employees do not question their superiors, right.

As we said you know lordships where we obey to the leader's opinions or suggestions; we never use to you know refute or refuse or even you know argue or counter argue, even to you know question the superiors, right. Then that is the kind of a practice in the Indian management system.

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The slide is titled "Characteristics of Indian Management style". It features a background with various icons related to management and technology, such as gears, a tree, a person, and a circuit board. A presenter is visible in the bottom right corner of the slide. The text on the slide is as follows:

Characteristics of Indian Management style

- **Human resource development:** Indian management practice is emphasizing more on investing for human resource development through training, recruitment, service related benefits and quality of life accommodations rather than motivating with only cash.
- **Less innovation:** It is basic trend of Indian management style to have more workload on employees with poor execution as a result of that employees' motivation for innovation and skill upgradation is not taken care of.

At the bottom of the slide, there are logos for IIT Kharagpur and NPTEL.

And human resource development, of course you know Indian management style is also provides a lot of scope for you know training, people recruitment, you know service-related benefits and quality of you know life of accommodations rather than motivating only by a cash, ok.

Less innovations, in Indian management style, because we are always driven you know load them with enough of the job with the poor executions and that actually result in create you know, not creating enough space for the innovations or creativity.

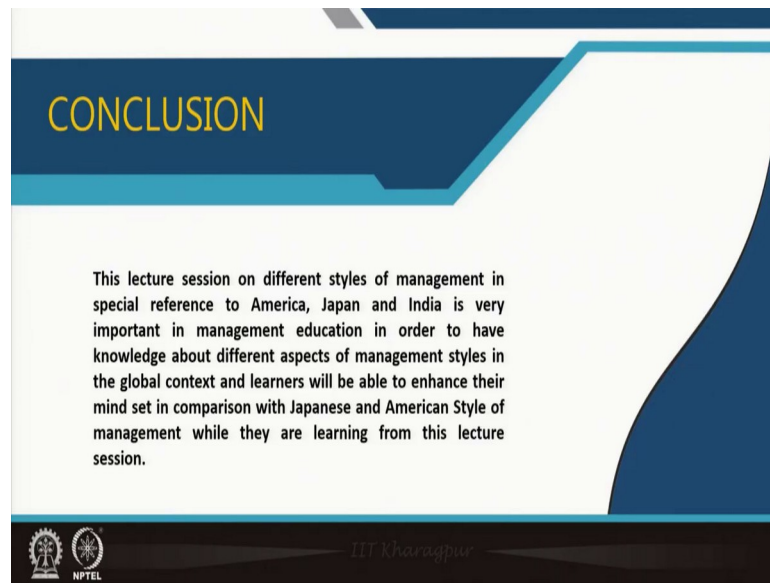
Because you know we demand more quantity not the quality, that is the essentially you know the way Indian style of management you know. You ask them to create more output, but with you know very poor-quality work and then there is no scope for you know innovations and creativity right, ok.

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So, these are the you know Indian management style and these are the references.

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Today you know we looked at the you know different styles of management, which is very interesting to look at you know American style of management, Japanese style of management and Indian.

So, we would have learned the contrasting styles and differences within the companies, how they treat and then manage, right. Because if we look at you know America being very aggressive, that is why they prosperity of the company is really high; whereas Japan they are very conservative in approaching, meaning that they provide long term employment.

And whereas, you know an Indian style because of the sociocultural factors, there are you know we obey the bosses; we be we do not question the people and there is more of a collectivist approach. We share also similarity with the Japanese model, but it is not only on not always on the you know private companies, ok.

So, this is how we can differentiate these styles of management with respect to the country's context, ok.

Thank you.