

## COMPARATIVE MANAGEMENT OF HUMAN RESOURCES BETWEEN USA AND JAPAN

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**Abstract:** Interpretation by comparison of human resources management applied between two countries with different application methods and techniques of human resources management, yet with spectacular results in their economies (US and Japan). Despite the differences between Japanese and American management styles, both will have a huge impact on their national economies. In general, in the field of human resources, the labor relations within the organizations, are, mainly, characteristics that differentiate the Japanese management system from the other countries, especially the USA.

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### 1. Management skills in U.S.

American Management Association has developed a model of competencies that must be met in any case a good manager. According to this model, the power of a good manager should materialize in the four areas:

*Management objectives and actions* - in this field, the manager is recognized by its ability to set realistic goals and initiating actions aimed at achieving performance. It also tends to evolve manager to analyze and understand the contents of activities, adopting decisions for the purposes of the initial shift. Long-term vision is one of the qualities of a good manager (Boyatzis, 1982).

*Relationships with subordinates* - a good manager should show perseverance to achieve performance exercising and sometimes the power and authority available to relations with subordinates. A condition for success is to provide feedback to employees who are in direct coordination thereof, so that they have the opportunity to know the results of their work and understand the need to continue improving its work.

*Human resources management* - characterized as a key area where a good manager should have a range of skills such as realism, the ability to link and create links between the individual needs of employees with organizational development, flexibility and adaptation occurring within the organization, the ability to express confidence in his colleagues and teamwork, availability, negotiator at international level, knowledge of at least one international language, understanding cultural differences, results orientation (Jackson, 2002, p. 67).

*Leadership* - a good manager must be characterized by a number of traits such as perseverance, self-confidence, communication skills, logical thinking, integrity, ability to influence the mentality and style of the employees. Thus, the American economic system can be defined by its decentralized nature, based on private property and free enterprise. Federal authorities to intervene in the economy is manifested through fiscal and monetary strategies. Meanwhile, the federal budget has a component that is to invest in research and economic legislation allows US government involvement in controlling business practices, the US government also acts as the supervisor of growth.

## 2. Management in United States of America

American cultural values specific emphasis on individualism and self-interest, based on the value system of most Americans, efficiency and pragmatism, freedom and patriotism to create an image of the American people all over the world.

From the organizational perspective, Americans prefer to satisfy their own interests or principles inspired bypassing objectives of the company. American society show a low power distance. Inequalities were abolished as from lower level employees have been given greater responsibility in terms of making decisions on their own and opportunity to question the vision of senior management. Americans also have a low level of uncertainty avoidance means that avoids or does not feel threatened by uncertain situations, ambiguous. American culture emphasizes quantitative aspect of life and is therefore regarded as highly materialistic and uninterested in cultivating long-term relationships; This may explain to some extent and more and more acts of fraud were reported in the US unlike Japan dominated mentality totally different welfare company.

The management style is based on Anglo-Saxon model of capitalism based on individual success and short-term profit, adding that manifested a strong authoritarian ideology determined that a person's status is determined solely by their performance at work.

Internal communication in American organizations based on the exchange of information on media written dashboards formalized. Meetings in the American enterprises has some particularities: are centered on a given objective is completed by concrete decisions and precise solutions and are led by a chairman of the meeting that is not necessarily the highest hierarchical level, but has a capacity recognized mediation. The whole communication process is influenced by the reduced distance to the power.

### *The employment*

As organizations were more involved in international trade and labor fluctuations, lifetime employment is history in American corporations. Americans are recruited rapidly and are dismissed just as quickly. But being fired is not a stigma. Americans tend to change frequently firm and work, which is why companies prefer to change personnel as needed, instead of investing in its preparation. This policy is reflected in the fact that the greatest investment in human resources are focused on the selection and recruitment.

*The promotion* is based on skills, seniority level of training and personnel. Age senior managers support the conclusion that experience plays an important role in promotion positions.

A study showed that 75% of top managers were at least 45 years when they were.

*Relationship with unions.* In the US there are two types of unions: unions organized on the basis of professional and branch unions organized on the basis of activity. Relations unions - it was always tense and management employees are still attracted by the membership of such unions because collective representation allows managers to negotiate with companies on an equal footing. They had a great contribution to the improvement of workers, mainly by negotiating wage, non-wage benefits and improved working environment. The most sensitive areas of influence refers to wages and working conditions where predominates criteria, seniority at work and performance gained.

### Trends in human resources management in the US

Currently, the big American companies there is a trend towards decentralization of decision-making. Americans believe that we must abandon the autocratic style of decision making where it was for senior managers responsible for taking most important decisions. Lately, more attention is given to investing with greater responsibility of line

managers to comply with the following protocol: *the first step* is recognizing the problem faced and the need to take a decision; then the decision maker should identify the criteria for making decisions that determine what is relevant and useful for a correct decision. *In the second stage* it is identified most relevant criterion showing the importance of its effects, then draw up a list of viable alternatives that can be applied to resolve the impasse and analyzed individually. *The last step* is to choose the best of the set.

Starting with the question:

*Why employees leave organizations?* A common question for managers worldwide.

The study conducted by the American Society of Human Resource Management (*Society for Human Resource Management*) at a total of 473 human resource professionals revealed that 87% of US employees leave organizations on their own initiative (Deckop and Konrad, 2001, p. 270).

Of the total number of those that leave companies on their own initiative, 50% of employees do not require changes in contractual conditions, while 40% leave the organization they work because its management rejected contract changes required.

*Share of employees leaving the company:*

Company no. > 5001 employees - 26% leave the company;

Company no. between 2501 - 5001 employees - 21% leave the company;

Company no. between 100-300 employees - 16% leave the company.

For 87% of people leave the company, the main two reasons are:

- Package motivational attractive offered by the new employer, of which 75% is the salary offered by the new organization, and 25% are bonuses and other offers non-representative new employee.

- Career development prospects in the new job, of which 61% are complaints regarding career opportunities in the old job. 39% is the activity that will be held in the new job.

Companies have realized that constant turnover of staff and relatively early is one of the biggest problems they face in human resources, with multiple implications in financial terms and in the long term, the development of the company.

To combat staff turnover and turnover for cost human resources, companies have developed several means of motivation to limit the effects of fluctuations in staff, namely:

- ensuring career development opportunities;

- elimination conservative labor, labor motivation through diversification of the workplace or rotating staff level activity;

- motivational packages consistent and diversified;

- the organization's concern for employees' problems;

- security, health and welfare of employees at work;

- the definition of standards and benchmarks for empowering employees to achieve its business efficiency.

### 3. Human resources management in Japan

In the opinion of specialists (Lange and Maguire, 1998, pp. 138-144), Germany is the miracle of growth in Europe and Japan - term development model in Asia. In general, human resources, the activities such as: recruitment, selection human resources management, rewards, long term employment and labor relations within organizations are mainly features that differentiate management system Japanese other countries, especially the US.

Although many factors are responsible for "*economic miracle*" Japan, the focus was mainly on the methods and techniques used in human resources management. What

is particularly interesting is the relationship between paternalistic management style and commitment to the work of employees because labor is considered to be the true secret of Japanese success.

The three pillars of Japanese human resource management are: the *principle of long-term employment*, *seniority principle* and *trade unions*, as an expression of the total commitment of employees.

Encourages *long-term employment* stability, commitment and sense of belonging of employees in the organization. Long term employment is not identical to maintain lifelong professional employee in the same post. On the contrary, this principle of Japanese human resource management encourages internal mobility of employees in their own companies. It is about ensuring long-term stability of employees in organizations, regardless of the positions they occupy. There is a tendency to analyze and understand the long-term commitment in terms of staff development, their promotion within the company.

Unions are generally interests of the majority of employees within one or more companies. The main feature of these is the problem solving and completion of negotiations with company management by consensus. Number of members belonging to each union highlights the principle of total commitment, specific Japanese management. The relationship is reciprocal, because unions are involved in solving a large number of failures that employees face at work: working conditions, health and safety at work, reward system, etc.

Although strikes are not a common phenomenon when they place strict measures are taken as demonstrations do not disturb the normal work process, they happen, usually after hours or on weekends.

Seniority principle has a bearing on activities to promote and reward employees.

Currently, the trend is to replace the concept of job stability at career development. Introduction of performance-based rewards and annual bonuses to employees represents HR practices found in Western companies. Although currently in Japanese management recorded a number of changes, it should be noted that the basics of the Japanese system of human resource management remains a high influence on the management practices.

If the US Protestant ethic emphasized self confidence, independence and individual wellbeing in Japan ethics based on a mixture of Shintoism, Confucianism, Taoism and Buddhism, has produced one of the companies most homogeneous and created an ideology paternalistic that led to the industrialization , organization and management of the Japanese economy.

The employment in Japanese companies

Japanese management pay special attention to human resources, recruitment is seen as a long term investment. The selection gives priority to the personal qualities necessary for the integration of knowledge and professional skills. Employment system practiced in Japan respond favorably to one of the fundamental aspirations of employees everywhere ie job security.

Using the rotation departments or educational training according to business needs, it tells the potential EMPLOYEE: "*We trust you and believe that you are the person we need for the next 50 years*", which amplifies his sense of duty shown by worker to repay their trust.

Pay and promotion system

In determining income business staff is envisaged preparation and his seniority. Wage gap between those with higher education and those with secondary education are small, however, the motivation criterion is age. Number of years worked in the company

is the main foundation to establish the size of wage employment on features and promotions. It should be noted that wages grow very rapidly with age in the company. Usually, retirement salary is 3.5 times higher than employment. In addition, they receive bonuses, bonuses for hard work or hazardous work and overtime and salary thresholds based on family status.

#### Recruitment and selection of human resources

The first step is to recruit a large number of college graduates. This is relatively easy due to the number of students registered in Japan. The recruitment process is simplified because universities are themselves graded: national state universities and the most prestigious institutions, private. At this stage of development of the recruitment process, companies aim is to capture the interest of more able students or graduates, regardless of their specialty. From this point of view, the best students be offered employment at leading companies before the official start of the season of hiring.

Promoting employees takes place at a slow pace due to the principle of promotion based on age and experience. This allows companies to reward those employees who have shown loyalty lifetime to EMPLOYEE. Only after a long observation period, the company will be able to analyze the strengths and weaknesses of the new employee can then be placed in a position that will allow maximum development of their professional abilities. After about 10 years it is reached the first level of promotion process when the employee will be allowed to choose a "successor" to prepare staff in the same manner in which he was trained.

Internal staff training takes place mainly through job rotation where staff mobility is high and changes in positions are common. Japanese companies believe that continuous training is part of the duties of employees and permanent employment that an employee must be prepared not only for its current position, but all positions that correspond to its level hierarchy.

#### Trends in human resources management in Japan

Understanding the decision-making process of the Japanese system, like many Japanese management practices first requires understanding of national culture. A large part of the Japanese culture of labor relations can be explained under the "*wa*" meaning peace and harmony.

Management practice in Japan is based on the consensus established organizations known as ringi. It is considered as one of the features most representative, which includes all the virtues of Japanese management, the focus on the global perspective, the situation overall interests before individual interests. Ringi system is presented as an evolving process that requires bottom-up and reach agreement on a proposal by the transmission system vertically and horizontally to all interested persons.

This document finally reach the top management to authorize formal and final implementation decision. The major disadvantages of the system Ringi consist particularly slow its progress and the fact that the system cannot work in situations of uncertainty, but only in very stable environments.

### **4. Comparison between US and management in applied management applied in Japan**

In comparing Japanese management style at the US absolutely necessary a closer look at cultural differences, communication styles and contexts in which the two opposing economic forces arrived.

A study (by Laurie Dennis in 1995) highlighted some of the main cultural differences between Japanese and Americans. It is clear that the Japanese Americans in excess of the strong focus on education, family, workplace ethics and lasting relationships

and long-term orientation in almost any kind of decision making. The only area where the Americans have a clear superiority refers to the difference between the sexes is much reduced while the traditionalist Society of Japan, 76% of women believe that their duty in life is to be a good wife and wise mother (Lee, 1982, p. 79).

## 5. Conclusions

Conclusion of the two major countries of the world, the US and Japan, on the benefits it can provide human resource practices to improve management applied by an entity for its prosperity by putting particular emphasis on methods and techniques used in human resources management :

Type the advantage that it confers human resource practices is a stable workforce with a high degree of commitment to the company, as follows:

- Staff oriented acceptance of change,
- Staff reluctant to strike or any form conflict,
- Staff put their own interests above the interests of the company.

Thus, the result is a high and increasing labor productivity and overall a work environment that allows planning and implementing management plans change both products and processes.

Experts say that these results are caused by the practices of human resources that put the company's commitment to its employees, which inspires them a feeling of security, status and material benefits and developing employees' potential in a systematic manner and term long.

Another feature that is often emphasized is how group cohesion and cooperation are encouraged instead of individualism and personal initiatives (White and Trevor, 1983, pp. 91-93).

Cultural diversity exists and affects how people act on the organization. Judging our cultural differences can lead to inappropriate attitudes and behaviors, undesirable when seeking to conclude business with foreign partners.

Despite the differences between Japanese and American management styles, both will have a huge impact on their national economies. In terms of cultural management styles will continue to present significant differences. Although nothing is certain, both Americans and Japanese must continue to adapt their management styles to maintain global competitiveness.

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