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FEATURES OF AMERICAN AND JAPANESE HUMAN RESOURCE MANAGEMENT APPROACHES

Mazorenko Oksana Volodymyrivna, PhD, associate professor, management and business department, Simon Kuznets Kharkiv National University of Economics, Kharkiv, Ukraine

Abstract — This research paper makes a summary comparison of cross-cultural research conducted in the area of Human Resource Management in Japan and USA. The features of Human Resource Management were defined, the results of comparison analysis of American and Japanese approaches to managing people is given.

Key Terms — human resource management, American approach, Japanese approach.

Currently, a personnel is seen as the main resource of any organization, so competent human resource management affects the performance of an enterprise.

Human resource management (HRM) is a strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives [3]. In the practice of human resource management in recent times different management approaches are intertwined.

Therefore, the goal of the study is to identify key features and compare two dominant opposing HRM approaches: Japanese and American.

Many researchers such as L. Ivanova-Shvetz, A. Kibanov, J. Martin, W. Schelb, S. Beechler, M. Najjar and K. Stucker [1; 2; 4; 5] have studied the people and Japanese and American management practices.

There are some features of human resource management in different countries and enterprises. In academic literature two main approaches of HRM are distinguished: American and Japanese approaches.

It is often difficult to compare different country systems, because of the fact that “models” are tailored to the specific characteristics they are supposed to represent. The point of comparing different country models is to establish what each might learn from the other. Learning from other management models implies transferability of management practices from one system to another, but the degree to which this is possible depends on the relevance of the respective socio-economic context.

The results of comparison analysis of two approaches present in the Table 1.

The [5] state that the Japanese are experts at the “soft S's” of management: staff, skills, and style, whereas American organizations were believed to be less effective because they implemented the “hard S's”: strategy, structure, and systems. It was found the Japanese companies to be characterized by low turnover, seniority-based wages, enterprise unions, and high welfare. He stated, however, that the system is changing rapidly, as convergence between the American and Japanese management styles increases.

As shown in [5], there are no significant differences between the Japanese and American affiliates on the HRM dimensions of explicitness, time horizon, scope, frame of reference or individualism/groupism. For example, explicitness is greater in Japanese than American affiliates, the time horizon of Japanese affiliates is shorter than that for American affiliates, scope is narrower in Japanese than American affiliates, their frame of reference (internal versus external focus) is slightly more externally-focused in the Japanese affiliates, and Individualism is greater in the Japanese than the American affiliates.

Table 1

Human Resource Management approaches in the United States and Japan*

| Criterion | American approach | Japanese approach |
|--|--|--|
| The basis of organization | Effectiveness | Harmony |
| Attitude to work | Main thing is performing tasks | Main thing is performance of duties |
| Competitiveness | Strong | Practically no |
| Guarantees for workers | Low | High |
| Decision-making | Top down | Bottom up |
| Delegation of authority | Popular | Rarely |
| Relationships with subordinates | Formal | Family |
| Recruitment method | By business qualities | After graduation |
| Job descriptions | Accurate, precise, clear | General in nature |
| Salary | Depending on results | Depending on experience |
| Way of motivation | The feeling of winner | The feeling of team |
| Career | Vertically | Horizontally and then vertically |
| The relationship of the employee and organization | Material interest, social package | The company is the foundation and center of life, leaving the company is leaving the society |
| Professional specialization of employees | Narrow, the opportunity to work in only one direction at various companies | Wide, the opportunity to work in the same company in different departments |
| Control mechanism | Top down | Concentration in the hands of ordinary employees, the use of consensus |
| Staff turnover | High | Low |
| The ratio of employees and specialists of personnel management departments | 0.87 per 100 people | 2.7 per 100 people |

* generalized from [1; 2; 4]

Because the Japanese and American subsamples differ on a number of variables which could have an impact on the HRM dimension scores, such as age, method of founding (greenfield or acquisition/joint venture), service or manufacturing industry, level of parent company ownership, percentage of expatriates in the affiliate, and size, there was examined the relationships between these variables and each of the HRM dimensions.

The results from comparison analysis are interesting in that they do not support most of the accepted wisdom in the field regarding the fundamental differences between human resource management practices in Japanese and American firms. Of the eight HRM dimensions, Japanese and American firms differ significantly on only formality, participation, and equity/equality. while the results on the dimensions of formality and equity confirm "accepted wisdom" and our predictions, the

finding that American affiliates in Japan have significantly higher levels of participation than Japanese affiliates in the United States is in direct contradiction to the well-known and documented differences between Japanese and American firms is their levels of employee participation, particularly at lower levels in the organization. Quality control circles, employee suggestion plans, and other such mechanisms are known as hallmarks of Japanese firms both at home and abroad and help distinguish Japanese-style management from American-style management.

It should be emphasized that the summary comparisons provided above are based on a great many generalizations that do not apply equally to all workers and companies. Many American companies began to develop a different strategic mind-set in the 1980's and currently use many of the concepts previously attributed exclusively to the Japanese.

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Author

Mazorenko Oksana Volodymyrivna, PhD, associate professor, Simon Kuznets Kharkiv National University of Economics (maoks@bk.ru).

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