



# **EAST ASIAN MANAGEMENT**

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(OVERVIEW BY KEITH JACKSON)

- To what extent do East Asian management systems and styles differ among themselves?
- To what extent do they influence each other?
- What challenges may influence their development?



# MANAGEMENT SYSTEM

- It is a complex of elements which, when brought together, form a whole.
- Each system responds to pressures coming from within and outside, which can be political, economic, socio-cultural, technological, ecological, and legal (PESTEL).

$$I \Rightarrow P \Rightarrow O,$$

where I – inputs,

P - processes of change,

O - outputs.



# MANAGEMENT SYSTEMS AND STYLES

**Management system** is a process of interaction across 3 layers:

- technical activities (planning, supervising),
- socio-cultural systems within an organization (coping with national, regional, industry specific cultures),
- external relationships (with customers, suppliers, national and local governments, etc.).

**Management style** is a subsystem to a management system. They distinguish one group of managers from another.



# TOYOTA'S INNOVATIONS

- **'just-in-time'** - to produce, deliver, or purchase only the materials required, only in the amounts required, and only when required;
- **'kanban'** - a system of control cards containing product-related information;
- **'quality circles'** - a quality control system which gives an opportunity to send suggestions concerning process and product improvement upwards;
- **'kaizen'** - a management philosophy of never-stopping search for process and product improvement

**=> Total Quality Management**



# TRUSTING EMPLOYEES?

- + increased motivation, productivity, efficiency, space for innovation
- high pressure in combination with the fear to lose 'face' => working to death



# JAPAN VS. SOUTH KOREA

Japanese keiretsu	South Korean chaebol
a 'linked together' system of organization	a system of business organization held together by cross-shareholdings, subsidies and loans

Keiretsu and chaebol are both major employers in their countries, pillars of national economy.



# EAST ASIAN MANAGEMENT STYLES AND CONFUCIAN PHILOSOPHY

- guanxi – a system of social and business relationship across Chinese society,
- mianzi – a concept of social behavior aimed to avoid causing or experiencing loss of ‘face’





# CHALLENGES:

- Asia is the engine for global economic growth,
- political decisions made by Chinese leaders shape the global economy,
- South Korea's growing reliance on Chinese markets,
- growing social inequality in China,
- ecology,
- Japan's challenges to source energy,
- the issue of Intellectual Property Rights.



**Thank you!**

