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ASIAN VS. EUROPEAN (WESTERN) MANAGEMENT STYLE – THE POSITION OF MANAGER IN ENTERPRISE

Abstract: This article aims to highlight the main aspects in the Asian management on the example of Japan and the European style of management. The author presents briefly definitions and types of managers, basic management styles used in the global economy and their characteristics, as well as methods of negotiation. In addition, the article presents the position manager takes in organization in the selected countries and what features he possesses.

Key words: management styles, European and Japanese style of management, manager, European manager, Asian manager, manager in enterprise.

1. Introduction

In today's business management three main styles of management can be distinguished, such as Asian, American and European. In each of them there are different cultural aspects, values, different tradition. Companies operating in different markets in spite of distinct methods used, forms of organization, targeting of managers and their attitudes, are successful both in their own local markets and in international one. What lies behind the success of these companies: selected management style or perhaps well-formed attitudes of managers?

The goal of the article is to present the main aspects in the Asian management. It is based on Japanese and the European management style. Definitions and types of managers are shortly presented as well as, basic management styles used in the global economy, their general features and methods of negotiation. Furthermore the author describes different roles that manager performs in an organization in the particular countries and his characteristics.

2. The definition of manager

Many definitions of manager can be found in the literature on the subject, like in case of management there is no clear-cut definition of manager. Most commonly this word is associated with management entity that has an impact on setting objectives,

scope of activities and internal organization. It is also identified with management of subordinates work, assignment of tasks and being responsible for accomplishment of specific activities. In everyday language this word is associated with a person who manages the entire enterprise or its part. Following Anglo-Saxon authors, managers are all members of the organization who took over the functions of superiors, starting from master and ending on president of the management board.¹

In English “manager” may mean director, superior, supervisor, leader, boss, administrator or just managing person. In Polish the word most often occurs in conjunction with other words that are associated with different spheres of business. This gives a much wider range of meanings and allows to distinguish e.g. general manager, commercial director, financial director, logistics director, economic director, human resources director, production manager, marketing manager, etc., depending on the managed area and management net across the company.

Another author P.F. Drucker, famous professor of management, American adviser to many governments, corporations, public institutions, “the father-founder” of management, defines manager as the person who manages work of others at every level, to begin with that who occupies the highest position and ending at the level of leaders, shift leaders, office administrators or production supervisors. The most important, special task of every manager regardless of his position in the organization is making decisions, because it will affect effectiveness of business and results of the organization. According to P.F. Drucker a manager is effective only if he takes the right decisions in a specific order.²

3. The types of managers

In the company, depending on the different management levels, managers have variety of positions. Depending on the level of management in the organization, usually three types of managers can be distinguished:³

- senior managers (called top management, executives) – they are small group of executives who are responsible mainly for overall management of the organization and have decisive influence on directions in which the company is aiming; it is top staff which includes presidents, vice presidents, managing directors, sometimes their deputies, the general meeting of shareholders, board of directors and even their deputies;
- middle-level managers (called middle management) – they are usually the most numerous group of managers; they are mostly responsible for realization of plans of top management, make operational decisions, supervise and coordinate work

¹ U. Ornarowicz, *Menedżer XXI wieku. Definicja. Identyfikacja. Edukacja*, Szkoła Główna Handlowa, Warszawa 2008, p. 15.

² P.F. Drucker, *Zawód menedżer*, MT Biznes, Warszawa 2004, p. 56.

³ R.W. Griffin, *Podstawy zarządzania organizacjami*, Wydawnictwo Naukowe PWN, Warszawa 2005, pp. 12-14.

of managers at lower levels; we can include here basic and supporting department managers, functional parts managers, main engineers, chief accountants who are subject to the authority of senior managers;

- low-level managers (called supervisory management, first-line management, supervisors) – this group at the lowest level are mainly leaders, foremen and masters, heads of offices, managers of various activities performed, such as transport manager, warehouse manager, etc., who manage and supervise work of different teams that carry out certain handling or routine operations; the main task of this group is that all decisions taken at senior management levels are realized in the most efficient way.

4. Business management styles

Several classifications of business management styles can be found in the literature. Given the approach to management, two styles can be distinguished – paternalistic and traditional. The first style is considered to be declining and above all was used and is still used in Asian enterprises, especially in Japanese. The name of this style comes from the Latin word meaning father. It means that an owner of the organization or a manager treats his employees like a father. He treats his subordinates as if they were family members. The company offers friendly environment, everyone fills out his duties properly. Everyone follows superior's decision, there is a large distance of power.

The second style, the most popular – traditional – is based on the criterion of decision-making. Three styles can be distinguished here, such as: autocratic (authoritarian), democratic (participative), liberal (lèseferic).

Autocratic style is characterized by centralized authority where boss decides himself. He assigns the tasks to his subordinates who must carry them out under the pressure of penalty. Manager himself does not participate in performed activities, his role is limited to giving commands. Between the manager and the staff there is a large distance of power. This means above all a higher degree of centralization, increased direct control and higher number of intermediate levels of management. Unfortunately such a style often causes tension among employees in the company, leads to promotion of unpleasant atmosphere and rivalry. Manager autocrat may be harsh – a firm but fair person, friendly – trying to create good working conditions, or inadequate – who under pressure of emotions can easily change his opinions and decisions.

Democratic style of management is characterized by the fact that manager encourages employees to make decisions, leaves the freedom of action, delegates the authority to his employees. He is involved in the work of group, describes the objectives which are implemented by subordinates themselves through their own chosen means. Manager is primarily a coordinator helping to solve difficult problems. He may also participate in the work performed by subordinates. This style

promotes good atmosphere, initiative, mutual trust, cooperation but unfortunately its disadvantage may be too long decision-making process and very long time of tasks realization.

Liberal style is focused on complete freedom of workers' activities. They alone make decisions in the process of their tasks realization. Manager is not involved in the work of group but only evaluates its effects. Manager does not apply the system of rewards or penalties. This style is not acceptable in most cases by employees. In addition it is considered to be ineffective in the activities of the organization.

There is not only one style of management in the world economy. Taking into consideration cultural background, mentality two or three styles of management can be distinguished. The first division points out a Western style (mostly seen as an American) and an Eastern style (East Asian), which differ substantially (see Table 1). In the second division three models can be distinguished: American, Japanese and European.

Table 1. Comparison of the characteristics of Western and East Asian management styles

No.	Features of Western management styles	Features of East Asian management styles
1	Hierarchical, egalitarian ordering	Loose ordering, roles set in fuzzy way
2	Concern for the various segments	Concern for the whole
3	Professional managers, the position depends on the function	Social leaders, often pompous titles of the positions of minor importance
4	Professional career paths, sometimes with rapid assessments and promotions	Not professional career paths, slow assessments, consistent promotions
5	Orientation on the individual	Focus on general matters, orientation on community
6	Decentralization of power	Centralization of power
7	Mobility	Stabilization
8	Diversity	Uniformity
9	Direct course of conduct	Indirect course of conduct
10	Systematic analysis, standardization, categorization, classification, conceptualization, precision	Equivocal, reacting, adaptation
11	Formalized long-term planning	Often lack of formal planning, high flexibility in adapting
12	Explicit control mechanisms	Hidden control mechanisms
13	Institutions and systems adapting to changes	Managers adapting to changes
14	Confrontational nature of negotiations, fast decision-making	Partnership style in negotiations, readiness for a compromise
15	Informal treatment of discussion parties	Ceremonial treatment of discussion parties
16	No distance in negotiations, importance of commitments in writing	Distance during negotiations, professionalism, importance of verbal commitments

Source: D. Waters, *Zarządzanie w XXI wieku. Jak wyprzedzić Japończyków i Chińczyków*, WNT, Warszawa 1995, p. 91.

The professional manager in the American model is often a specialist, he is primarily focused on generating profit. Important thing is individualism in decision-making process and in bearing the responsibility. In the Japanese company in turn it is collectivism that is important and responsibility of the group. The American enterprise in contrast to Japanese is often characterized by short-term employment status, rapid evaluation and promotion, specialized career path, concern for the segments, transparent assessment and control mechanisms, partial attention to people.⁴ The European style due to cultural diversity of existing entities takes into account American as well as Japanese management techniques tailored to the culture of the country.⁵ Generally it can be said that European enterprises have respect for other cultures and their activities are people-orientated. Depending on the country, individualism or collectivism occurs, short or long terms of employment period, high social status of manager or low status, authoritarian or democratic style of management.

5. The Asian management style – example of Japan

The Asian management style stems primarily from the culture of the countries, from the mentality of inhabitants. In most Asian countries dominates paternalistic style of management orientated on teamwork and co-operation in activities among employees. Hence these are collectivist organizations where group is more important than individual. This approach is shaped since childhood. Belonging to a particular group is deeply rooted in the minds of residents. Usually each employee is bound with the company for lifetime, therefore individualism and competition are not valued by the employers or by the society.

The literature often stresses that the culture of the organization is an important element in creating successful companies, including Japanese. This culture may have different perspectives and most often this culture is:⁶

- pro-partnership, paying attention to maintaining friendly ties, making interpersonal contacts, without confrontation during discussion,
- ceremonial in which ceremonies play an important role demonstrating respect for the other person (e.g. exchange of business cards), scenery, appropriate gestures, words, age or social hierarchy,
- monochromic where punctuality is very important, all plans must be realized in specific time frame and meetings are rarely interrupted.

Traditional Japanese management system is based on certain principles. These are determinants of collaboration between managers and subordinates and their

⁴ J. Penc, *Zarządzanie w warunkach globalizacji*, Difin, Warszawa 2003, p. 165.

⁵ *Ibidem*, p. 166.

⁶ *Kulturowe różnice w negocjacjach*, <http://www.zmp.poznan.pl/dane/paz-05>.

intention is to maintain order and harmony of the structure, development of the company. The main principles are in particular:⁷

- long-term employment of an employee in the same company or even lifetime employment binding an employee with company that becomes a kind of his family to which he is bound till pension;
- seigniorial payroll system meaning that higher salaries are awarded to older workers;
- organizing a labour union based on one company, its task is to secure employment for its members and solving the causes of conflicts in the bud to maintain harmony in relationships with employers;
- teamwork involving all employees, who are equally committed in realization of company objectives and decision-making;
- rotation between the positions and rotation of the teams;
- decisions made by consensus;
- individual responsibility for the completed tasks.

Table 2. Negotiation styles in specific countries

Management style		Country	Features
Asian		Japan	partnership style in negotiation, readiness for a compromise, distance, professionalism, importance of verbal commitments
European	Northern	Countries of Scandinavia and Benelux	“hard negotiations”, cooperative style of negotiation, good preparation (professionalism) – means that negotiations are short – no bargain (time is money), planning, emphasis on product quality, punctuality
		Germany	professionalism, punctuality, distance, decisions analyzed, demanding opponents
	Latin	Italy, Spain, France	confrontational style of negotiation (“warrior type”), informal, decision-making policy – very long, ability to conduct a fierce debate and bargaining
		Great Britain	importance of verbal commitments, skilfulness, competence
American	U.S.		confrontational nature of negotiations, keeping deadlines, fast decision-making, informal treatment of opponents

Source: *Kulturowe różnice...*

A Japanese manager is always well prepared for negotiations⁸ (see Table 2). He is characterized by professionalism. Starting negotiations with foreigners, the Japanese always have intention to have long-term relationship with a client. During discussion

⁷ K. Konecki, *Uwarunkowania zarządzania japońskimi przedsiębiorstwami*, <http://www.cntra-ning.pl/?scomponent=11>.

⁸ Opracowano m.in. na podstawie: *Kulturowe różnice...*

partnership style is a rule, which means that for the Japanese the contractor is not an opponent but a partner. In spite of the style, they usually keep partners at a distance. They do not tolerate aggressive management style. When making decision, a Japanese manager is trying to avoid conflict and is ready for a compromise. Important elements in negotiations are sex and age. Women rarely take part in negotiations. Age, in turn, points at contractor's competence and experience. Thus the older a man is, the more successful negotiations are. Another important element is the importance of verbal commitments. An attempt to withdraw from them can be very badly received.

Another important element of management style in Japan is managers' process orientation, their quality and then later on the result. Also important is the philosophy of action, a certain way of thinking, resulting among others from culture of the Japanese – *kaizen*. This is an approach that implies change for the better, the continuous, systematic improvement and seeking improvements, from small incremental improvements to major strategic changes. In order to implement the concept of continuous improvement certain general principles are used in the company. These include 5S, which is keeping working place in the right order, identifying and eliminating sources of waste, introduction of standards for specific tasks, visual management as well as having quality circles.

In Japan to be a manager a person should have the appropriate university degree. The Asian companies recognize managers on middle or high level. Promotion to a managerial position is not clearly defined and the career path is not prepared in advance. Before becoming a manager one must go through all positions during several years, starting from the lowest position (worker), where he may experience the specificity of the company. Promotion to the next management levels is primarily due to age and team work. He gets the position through his actions, time and experience. If he has a university degree, after 10-15 years he may get a managerial position.⁹ His salary depends mainly on years spent at work but not on the position.

Every manager has strong position in social group, therefore he is characterized by high social status. He owes his position mainly to his activities and commitment to the company. A Japanese manager puts great importance to interpersonal contacts, interaction skills, cooperation with subordinates. He is loyal to the company and superiors. He is characterized by paternalistic attitude towards his subordinates and thus takes on the role of the "father of the family". Other features that appear in the literature characterizing Japanese manager are: inner harmony, humility, self-control and prudence. Desired ones in turn are virtue, insight, broad horizons, rationality, reliability, inspiring others and sacrifice.¹⁰

⁹ W. Ratyński, *Menedżerskie i organizatorskie metody zarządzania*, C.F. Müller, Wydawnictwo Kodeks, Warszawa 2002, p. 34.

¹⁰ D. Waters, *op. cit.*, p. 43.

6. The European management style

The European management style like the Asian stems from the culture, tradition, different history and the past of different countries. Japanese society is homogeneous but European is very diverse, which has influence on the selection of a particular method of management. In Europe there are different styles of business management where different approaches are used. Thus in some countries individualism is preferred while in others it is collectivism. In some of them orientation is on the individual, elsewhere orientation is on the company. The authoritarian management style is preferred in some countries and democratic one in others. Different approach is easy to notice concerning distance of power or manager status: it can be large or small distance of power and high, medium or low status (see Table 3). Nevertheless looking globally, compared with the United States or Japan, Europe can be seen as homogeneous¹¹ in certain aspects. Thus the fundamental features of European management style are pragmatism, rationalism and humanism. Their development was influenced mainly by ideological and philosophy trends rooted in English, French, German and Italian systems.¹²

The European management style is characterized *inter alia* by:¹³

- integration of diversity in management – the process is typically European, which stimulates the creativity of managers, the Europeans understand the ethnic differences, respect them and even like them, consider diversity as a natural part of life in contrast to Japan (where there is lack of diversity) and to the United States (here is so called averaging diversity); managers are open to the world, capable of integrating diversity, they are able to adapt both to local and global conditions;
- social responsibility – the European companies believe they are socially responsible, i.e. have commitments to the community, managers take the long-term strategic and investment decisions (as in Japan), act in a responsible manner; treat profits as only one of the main company objectives, consider that shareholders are not the only owners but also all the people associated with them like suppliers, employees, customers and others;
- internal negotiations – every European organization considers it necessary to negotiate with all employees where people are treated as joint owners, this leads to expansion of vertical communication links in both directions, between managers at various levels and employees and between headquarters and branches, European societies are brought up in Cartesian tradition, its characteristic is to

¹¹ H. Bloom, R. Calori, P. de Woot, *Zarządzanie europejskie*, Poltext, Warszawa 1995, p. 24.

¹² S. Przytuła, *Pozyskiwanie menedżerów do przedsiębiorstw międzynarodowych*, Wolters Kluwer, Kraków 2007, p. 71.

¹³ Opracowano na podstawie: H. Bloom, R. Calori, P. de Woot, *op. cit.*, pp. 24, 45-49, 63-64, 79-85, 90-97; J. Penc, *Zarządzanie w warunkach...*, pp. 168-170.

discuss and seek a rational solution, despite the similarities there are also many differences in negotiations with external and internal partners, two main groups of negotiating styles can be distinguished (see Table 2), northern (Scandinavia, Benelux and Germany) and Latin (France, Spain, Italy, United Kingdom – its variety);

- focus on people – every employee should reap the benefits of progress, the development of the organization by improving the quality of work; in European companies there is no willingness for teamwork but they show tolerance and cooperation, greater freedom of action for both managers and subordinates, people are not bound to the organization so much as it is e.g. in Japan, managers are valued for individualism, European manager must have the balance between work and personal and family life, to increase his earnings is not enough;
- lesser degree of formalization – the Europeans are more sceptical of formal procedures, use smaller number of written rules, managers often make decisions intuitively, based on experience;
- product and marketing orientation – marketing and customer service have traditionally been dominated by technological and manufacturing requirements, an important element is ensuring a high level of customer service in terms of product, its supply to the right place, at the right time, while maintaining a high quality of product and service;
- greater sensitivity to changes – European companies are sensitive to any changes in society, hence managers in decision-making must take into account any changes, as the aging of population, changing role of women, a new attitude to work or a new family model based on partnership in the educational process;
- greater leadership in management – in managing subordinates managers, when trying to use all the skills of employees, must both lead and manage, contrary to the Japanese or the Americans, they are expected to play the broader social and cultural role, which means that they must be more visible, eloquent and must have a vision of organization development.

The European management style apart from these listed features, in contrast to American but similarly to Japanese, is characterized by higher stability of employment but on the other hand by frequent rotation of jobs. The preferred manager in most European countries is the one who graduated from the university, preferably in business or economics and who has experience in line management of enterprise. Managerial positions belong to high and middle level managers as well as to chief executives – top management. The authority primarily results from the knowledge and experience. Promotions are granted primarily on the basis of professional merits. Every employee, including manager, is responsible for taking decisions. In each country manager's position is different and his characteristics as well (see in detail Table 3). For example in France manager has a lot of respect from subordinates and superiors. His promotion is dependent on personal connections in the organization. Recruitment for the post of manager may be external or internal. It takes place among

Table 3. Characteristics of managers in selected countries in Europe and Asia

Country	Manager types	Manager position and characteristics
France	mainly employees of middle-level management having control functions	<ul style="list-style-type: none"> – high status based on a model of competence and elitism, – high power distance, high uncertainty avoidance, – large variation of range of power, – avoidance of risk, – individualism, – high authority derived from absolutism,
Germany	middle-level and high-level employees	<ul style="list-style-type: none"> – high status of managers as professionals contributing to the development of the country, – small distance of power, high uncertainty avoidance, – avoidance of risk, – authoritarian management styles, – high authority,
Great Britain	middle-level management employees	<ul style="list-style-type: none"> – low social status, – small power distance, low uncertainty avoidance, – moderate tendency to risk avoidance, – individualism, – high authority of personality not of the position, – authoritarian style of management,
Japan	most of all managers of departments and their deputies (departments, sections) in large enterprises	<ul style="list-style-type: none"> – high social status, – average degree of uncertainty avoidance, large power distance, – paternalistic management style, – dominant values recognition, harmony, – acceptance of hierarchy in functional relationships, – mandatory, – bound to its own employees and supervisors, – collectivism,
South Korea	those who from the beginning, i.e. after graduation of university were recruited as an administrative staff, engineers and technicians in private enterprises, most of them later occupies managerial positions	<ul style="list-style-type: none"> – high social status, – average degree of uncertainty avoidance, large power distance, – paternalistic management style, – impact on behaviour of Confucianism and Neo-Confucianism (humanitarianism, accuracy, legitimacy, wisdom and loyalty; overcome of selfishness, allow compliance with reason of the world, own self, belief that man is good by nature), – high importance related to education, – emphasis on hierarchical relations, – collectivism.

Source: J. Penc, *Narodowe i międzynarodowe systemy zarządzania – myślenie o jutrze w jednoczącej się Europie*, Wydawnictwo Wyższej Szkoły Stosunków Międzynarodowych, Łódź 2003, p. 312.

the elite group of graduates from universities, polytechnics or MBA studies as well as among those with PhD title.¹⁴ In Germany manager is a person who is expected to give clear commands. In his work the important things are precision, accuracy of performance and time. Relations with employees are purely professional but he attaches great importance to harmonious teamwork. For the accomplished task manager assesses the whole team. In Great Britain a person who becomes a manager primarily comes from the internal structure of the company. He is characterized by individual approach to employees and customers. What is very important for him is cooperation and good relations with employees. Working time is often treated easily, the most important is the effect of realization of specified task.

7. Conclusions

It may be noticed that presented management styles, European and Asian, are fundamentally different. Asian style is characterized by collectivism, friendly attitude at work, full co-operation between managers and subordinates. Management style is pro-partnership, ceremonial and monochromic. European style, due to the large number of countries, cultural diversity, taking into account different history, reflects American and Asian management features. Europe is characterized primarily by rationalism, pragmatism, humanism and hierarchy. In spite of having different characteristics, in most countries a manager may be a person who has solid university degree and must have appropriate experience. Currently many companies including European pay also attention to the management methods created by the Japanese. Many European companies seek to implement them with greater or lesser success. These methods include among the others, *kaizen*, Total Quality Management, Lean Management, Just-In-Time systems and *kanban*.

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¹⁴ S. Przytuła, *Pozyskiwanie menedżerów ...*, p. 91.

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AZJATYCKI I EUROPEJSKI STYL ZARZĄDZANIA – POZYCJA MENEDŻERA W PRZEDSIĘBIORSTWIE

Streszczenie: Celem artykułu jest przedstawienie i porównanie głównych aspektów zarządzania azjatyckiego stylu, na przykładzie Japonii, a także europejskiego stylu zarządzania. Autor prezentuje krótko definicje i typy menedżera, stosowane w gospodarce światowej podstawowe style zarządzania i ich cechy oraz sposoby negocjacji. Ponadto pokazuje, jaką pozycję zajmuje menedżer w organizacji w wybranych krajach i jakie cechy posiada.