

# A Comparative Study on Japanese Management and Tradition Indian Principles

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## I . Introduction

With increasing Globalization, liberalization in socialist-pattern countries and cross-cultural work atmospheres in most parts of the world, Comparative Management as a subject, should evoke the interest of all managers, young and old in the east and in the west.

“Comparative management, defined broadly, focuses on the similarities and differences among business and management systems, from different contexts. These comparisons could be profit versus nonprofit organizations, manufacturing versus service industries, small versus large organizations, successful versus unsuccessful companies and developed versus undeveloped countries (Nath, 1988).

However, a comparative management study is very different from studies like comparative religion, comparative literature, comparative history and comparative politics. A comparative management study, to exhibit rigor, should cover the previously mentioned areas of comparative religion, comparative literature, comparative history and comparative politics.

The scope of comparative management is very vast. And, comparative management study contains an inherent major difficulty. To study comparative religion, one need not be a monk. To study comparative literature, one need not be a literary scholar, to study comparative history, one need not be a historian, to study comparative politics, one need not be a politician. But, because of its practical bearings, to study comparative management obliges one to be a manager or at least a management theoretician. There is another difficulty also. One can bury himself in a library and do the comparative studies in religion, literature, history and politics.

The purpose of this paper is to analyze the features of Japanese management and Indian management.

## II . Japanese Management —Toyota Management Principles

This chapter describes the management of Toyota Motor Corporation as a representative example of Japanese management.

The company chosen is Toyota. Its managerial bearings are taken from a book by Jeffrey Liker. The Toyota Way: 14 Management Principles by Jeffrey K. Liker, (Liker, 2003) and Toyota Talent: Developing your people the Toyota way by Jeffrey K. Liker and David Meier (Liker, 2007), as

summarized in Table 1.

**Table 1 Toyota's 14 Managerial Principles**

- ( 1 ) Base your management decisions on a long term philosophy even at the expense of short-term financial gains.
- ( 2 ) Create continuous process flow to bring problems to the surface.
- ( 3 ) Use “pulls” systems to avoid overproduction.
- ( 4 ) Level out the workload, work like a tortoise, not like a hare.
- ( 5 ) Build a culture of stopping to fix problems, to get quality right the first time.
- ( 6 ) Standardized tasks are the foundation for continuous improvement for employee empowerment.
- ( 7 ) Use visual control, so no problems are hidden.
- ( 8 ) Use only reliable, thoroughly tested technology that serves your people and processes.
- ( 9 ) Grow leaders who thoroughly understand the work, live the philosophy, and teach it to others.
- (10) Develop exceptional people and teams who follow your company's philosophy.
- (11) Respect your extended network of partners and suppliers by challenging them and helping them improve.
- (12) Go and see for yourself to thoroughly understand the situation.
- (13) Make decisions slowly by consensus, thoroughly considering all options; implement decisions rapidly.
- (14) Become a learning organization through relentless reflection and continuous improvement.

The Indian literary text consulted for correlative concepts is the 2100 year old *Thirukkural*<sup>1)</sup>, often cited for its secular and universal import on men and matters. In the process, this paper also seeks to assess the gap between theory and practice and addresses the questions of why theories and practices stand apart, and how to bridge them.

And now a simple question: If one starts a company and applies these 14 managerial principles, would this company be run as is Toyota Motor Corporation? There could be much speculation on this topic. It is not as straightforward as putting 14 chemicals in a cubicle to extract a compound, no matter who adds those chemicals. These 14 principles, ipso facto, have not made Toyota what it is. On the other hand, by practicing to perfection Toyota has given dimension to these principles.

These 14 principles are mandates for managerial excellence, being vital ingredients for any enterprise. From a mundane point of view they can be divided into three categories as man-power, money-power and extraneous circumstances. Categorized under Indian philosophical divisions, these 14 principles fall under: Thought, Word and Deed, viz; the self, self to others, and self and others. Categorizing can vary, but the principles are the same, the requirements are also the same; import alone differs. The Indian classification helps the learner understand things from his perspective.

The Indian way, so much so the oriental way, covering the Japanese too, looks at men and matters

from inward, which means the man counts more in management, everything revolves round the man, everything flows from man to man. This perspective holds good for analyzing other organizations also, besides the corporate. As Japan is an Asian country, with her leanings pronouncedly more filial than fiscal, this will help interpret the aforesaid 14 principles more poignantly, with their far-reaching implications and fail-safe applications. Seven of these 14 principles emanate from Self, three relate to instructions, Self to Others, and four involve Self and Others, when we divide them by Thought, Word and Deed.

**The Self:**

- ( 1 ) Base your management decisions on a long term philosophy even at the expense of short-term financial gains.
- ( 2 ) Level out the workload; work like a tortoise, not like a hare.
- ( 3 ) Build a culture of stopping to fix problems, to get quality right the first time.
- ( 4 ) Develop exceptional people and teams who follow your company's philosophy.
- ( 5 ) Respect your extended network of partners and suppliers by challenging them and helping them improve.
- ( 6 ) Go and see for yourself to thoroughly understand the situation.
- ( 7 ) Become a learning organization through relentless reflection and continuous improvement.

**Team Work (Self and Others):**

- ( 1 ) Standardized tasks are the foundation for continuous improvement for employee empowerment.
- ( 2 ) Use visual control, so no problems are hidden.
- ( 3 ) Use only reliable, thoroughly-tested technology that serves your people and processes.
- ( 4 ) Grow leaders who thoroughly understand the work, live the philosophy, and teach it to others.

**Instructions:**

- ( 1 ) Create continuous process flow to bring problems to the surface.
- ( 2 ) Use “pulls” systems to avoid overproduction.
- ( 3 ) Make decisions slowly by consensus, thoroughly considering all options; implement decisions rapidly.

**The success formula**

If numbers mean anything here, the following figures indicate that in the managerial realm most responsibilities lie with the manager (Seven out of 14), team work is next (four out of 14), and then instructing or commanding others (three out of 14).

Assuming these principles are all weighted equally, when a manager sees his job primarily as instructing others he fails; he scores only 3 out of 14. When he isolates himself to merely working with others, he scores 4 out of 14. Both combined he is half-effective. Sometimes being half-effective is harmful. He may be good at work with others, good at giving instructions; yet, he scores only 7 out of 14.

If he does not think inwardly, he will not be an organized personality. None respects the work or obeys directions of disoriented personalities. Conversely, one who thinks primarily inwardly also scores only 50 per cent. He remains a thinker and not a doer. Only a doer can make others work. On the other hand, when he looks inward, joins the team and gives instructions, he is fully effective. He obliges others to work together, he wins and the institution gains.

A basic tenet of management is that the manager should think inwardly. That is 50 percent of his strength. Management flows from him. True, that could be management in concept. But to manifest action, the manager needs the other two, either or both ( $7+3=10$  out of 14, or  $7+4=11$  out of 14 or  $7+3+4=14$  out of 14). The one who works with others scores better than the one who instructs or directs others.

When categorized and interpreted this way, a reader might be prompted to think that Toyota's success story can be repeated elsewhere, too. Possible, also impossible; formulae do not ensure success in handling people who belong to different psyches. There are also social, political, and economic parameters which vary from country to country. Indians or other nationals would need to develop a psyche very similar to the Japanese, if these formulae were to work out. The mind matters most in all cases, life and career.

Having made an extensive study of Toyota, Jeffrey Liker has drawn the above 14 Principles and explains their explicit and the implied aspects. He divides the 14 into the following four categories:

- (1) Developing long-term philosophy.
- (2) Ensuring the right process for the right results.
- (3) Develop people, grow leaders, understand work, live philosophy and teach.
- (4) Solve root problems, drive learning and firsthand understanding.

Liker's 14 principles, under these four categories, could be further split into the following managerial quotients, to help one to cull out passages from literature and thereby elucidate understanding of their principles.

### **1 Developing long-term philosophy:**

- 1.1 Take decisions that work out for long term.
- 1.2 Realize that there are things more important than money.
- 1.3 Work, grow, have a common purpose; work for the growth of the company.
- 1.4 Generate value for the customer, society, and the economy.
- 1.5 Be responsible. Strive to decide your fate; accept responsibility to your conduct.

### **2 Ensuring the right process for the right results:**

- 2.1 Know the value of time; don't be idle.
- 2.2 Don't wait for someone to work on your project.
- 2.3 Link processes and people together.
- 2.4 Allow individual expression, then incorporate it.
- 2.5 Reduce your reports to one piece of paper whenever possible.

**3 Develop people, grow leaders, understand work, live philosophy and teach:**

- 3.1 Grow leaders from within; rather than buying them from outside.
- 3.2 Leaders must be role models of the company's philosophy.
- 3.3 Train exceptional individuals and teams.
- 3.4 Empower people to improve the company.
- 3.5 Have respect for your partners and suppliers

**4 Solve root problems, drive learning, and firsthand understanding:**

- 4.1 Solve problems and improve processes by going to the source.
- 4.2 Observe, verify what others tell; think and speak based on personally verified data.
- 4.3 Do not go down a path until you have thoroughly considered alternatives.
- 4.4 When you have picked, move quickly but cautiously down the path.
- 4.5 Develop countermeasures to avoid the same mistakes again.

There are a total of twenty subdivided managerial quotients. Even as Jeffrey Liker's fourteen is no magic figure, this twenty has no finality about it. There is no additional significance to this number.

**III. The Indian Text Thirukkural —A Comparison with Toyota Management Principles**

This chapter describes the Indian Text Thirukkural: a 2100 year old Tamil text of 1330 couplets, which is used in this paper as the representative example of Indian management principles. This study attempts to apply passages from ancient Tamil literature, especially from a text called Thirukkural, and link them to Toyota's 14 managerial principles.

**1.1 Take decisions that work out for long term**

Liker describes base-your-management decisions on a long term philosophy even at the expense of short-term financial gains: Liker studied a company to say this. This is reminiscent of the English poet Robert Browning who sang, "This low man goes on adding one to one; his hundred is soon hit; this high man aims at a million and misseth a unit."

Thirukkural states, "Better bear a lancer that just missed an elephant than an arrow that hit the hare." (Couplet 772) "Think always aloft. Even if you fail, do not give up high thinking." (Couplet 596) "Act after weighing the cost of input, the possible results and the net return." (Couplet 461) "The wise will never launch an uncertain enterprise risking capital for some immediate gain." (Couplet 463)

These aphorisms were intended for individuals and institutions, corporate or otherwise. However, these couplets are quoted often in literary and academic platforms and not in corporate contexts. Even those who are pleased to hail Thirukkural as a management testament are content with citing a handful of couplets on recruitment and delegation, though not this one.

### 1.2 Realize that there are things more important than money

Toyota considers there are things more important than money. They are reflected in the Corporate Social Responsibility activities of the organizations. Most ancient Tamil works proscribe wealth. But Thirukkural lays due emphasis on earning money recognizing money as the source for sustenance. He encourages making money, but the right way of making it. As things more important than money he cites virtue, happiness, love and grace.

“Wealth acquired by right means will bestow both virtue and happiness.” (Couplet 754)

“Wealth that accrues without love and grace is to be spurned and not touched. “ (Couplet 755)

Industrialists and politicians might quote these and other couplets of Thirukkural, but may not practice even a bit of the import. If a careful selection is to be made to present an award on the basis of the above two couplets, very few industrialists could be short-listed, certainly those with political links. As for theory, that of making money in the right way, we have a host of quotes like the above.

### 1.3 Work, grow, have a common purpose. Work for the Company's growth

These quotients imply teamwork, one of the strengths of Toyota, as of other Japanese companies. Work concepts and contexts involve the role of others, as fellow workers or as beneficiaries. What does *Tiruvalluvar*<sup>2)</sup> say on these aspects?

“Those who work with ceaseless zeal and deep knowledge will advance the community.” (Couplet 1022)

“Tiruvalluvar says “The joy of social benevolence springs from diligent effort.” (Couplet 613)

“Success will come of its own to one who ceaselessly strives to raise his community. “ (Couplet 1024) This echoes much of what Liker has stated.

### 1.4 Act with self-reliance and trust in your own abilities

Thiruvalluvar pins most good things around the capacity of the self. He states, “Nothing is impossible for one who knows the appropriate action and requirements and concentrates on the same.” (Couplet 472) He presents the other side in these words, “He who is unadaptable, unaware of his abilities but full of self-conceit will surely perish soon.” (Couplet 474)

### 1.5 Be responsible. Strive to decide your own fate

Several Thirukkural couplets relate directly to what Liker views and their corollaries. Here are two: “Sustained effort brings prosperity, but indolence breeds poverty.” (Couplet 616) “Those who strive with perseverance will see misfortune retreating.” (Couplet 620)

### 2.1 Know the value of time; don't be idle

Strive to cut back to zero the amount of time that any work project is sitting idle or waiting for someone to work on it.

Tiruvalluvar has devoted a chapter on Time and another on Sloth. He makes passing references on the importance of time and avoiding sloth in other contexts, also. He asks, “Is there any work too difficult if one acts at the tight time with the tight tools?” (Couplet 482) He avers, “Even if one wants to rule the whole world, it would be possible if he acted at the right time and place.” (Couplet 484)

He adds, “Weigh well the task, the worker’s capacity and the timing before you commence the work.” (Couplet 516) “Perform firmly and untiringly what is decided with a clear perception.” (Couplet 668)

In the chapter Sloth, he says, “Seldom do the idle gain anything, even if they are supported by the ruler.” (Couplet 606) And in the next couplet he adds, “The slothful do not fare well and they incur public contempt and censure.” (Couplet 607)

## **2.2 Don’t wait for someone to work on your project**

Waiting for someone to do the work is nothing but sloth. Tiruvalluvar warns of sloth thus: “If one is overcome by sloth is effortless, his family declines and vices grow.” (Couplet 604) If there are reasons other than sloth in waiting for someone to work for you, what are they, and how would they harm you? Tiruvalluvar responds to such questions: “Procrastination, forgetfulness, sloth and oversleep make the boat willingly boarded by those destined to ruin it.”

## **2.3 Link processes and people together**

Here is a couplet that comes very close to Jeffrey Liker’s advice; it is often quoted to establish that Tiruvalluvar is a management expert: “Ensure that a job is done by the particular person with particular means and entrust it to him.” (Couplet 517) In the next couplet he advises the manager to equip the person with the wherewithal to be responsible. “After choosing the right man, equip him with what is needed and make him responsible.” (518)

## **2.4 Allow individual expression; then incorporate it**

Three couplets are worth mentioning here, two from the chapter Listening and another from Wisdom. “What is acquired by listening is real wealth. Such wealth is above all other forms of wealth.” (Couplet 411) “When one listens to what is good, it will be beneficial, how little it is.” (Couplet 416) But Tiruvalluvar also sounds a note of caution: “Wisdom is discerning the truth whoever tells whatever.” (Couplet 423)

## **2.5 Reduce your reports to one piece of paper whenever possible**

Many couplets of Thirukkural relate to communication, oral and written. “Those who cannot express themselves in a few flawless words would bandy many words.” (Couplet 650) “Judge the potency of words and the capacity of the listeners...” (Couplet 644) and “Convey what you want; but make sure none could refute it.” (Couplet 645)

## **3.1 Grow leaders from within; rather than buying them from outside**

Ego and jealousy play crucial roles in the salaried employees and the higher levels of politics. Similar to Liker, Tiruvalluvar says, “Assess and choose carefully the association of the virtuous, mature and wise.” (Couplet 441) “The rarest of rare things is to cherish the great and make them your own.” (Couplet 443) “The greatest strength is to cherish those greater than yourself and win their kinship.” (Couplet 444) In tune with the modern corporate context, Liker mentions seeking out leadership. From where is not botheration of Tiruvalluvar.

### 3.2 Leaders must be role models of the company's philosophy

There are hundreds of couplets in Thirukkural on leadership. Two couplets on the qualities of an envoy go with Liker's views on role-model nature of a leader with regard to the exposition of company's philosophy. "One who has common sense, graceful personality and scholarship is fit for the task." (Couplet 684) "An Envoy's speech should be precise, pleasing, inoffensive, humorous, purposeful and rid of small talk." (Couplet 685)

### 3.3 Train exceptional individuals and teams

Thirukkural has many couplets on selection of staff, delegation and value inculcation with a listing of values. What are the values to be inculcated, how and what are the benefits? "To be considered before launching an enterprise are resources, instruments, time, place and the plan of action." (Couplet 675) "Determination in action is but resoluteness in mind." (Couplet 661) "The best way of doing a task is to consult those who know about it." (Couplet 677) "The wise prescribe two principles: Averting obstacles facing them boldly when required." (Couplet 662) "Premature publicity of the purpose might spoil the deed." (Couplet 663) "One who earns name for good performance wins the esteem of the ruler and the ruled." (Couplet 665) "Distinguish between what can be delayed and what should not be delayed." (Couplet 672)

### 3.4 Empower people to improve the company

Empowerment cannot come from elsewhere. It should be provided from within. People are to be empowered by others holding authority in the company. Hence Thirukkural says, "Set an elephant to catch an elephant; plan an action that prompts another action." (Couplet 678) "Don't choose any without testing. Once tested and chosen keep your doubts aside." (Couplet 509) "Entrust responsibility only with those capable of enhancing income and overcoming the obstacles." (Couplet 512) "After ascertaining the fitness of a person for the task, equip him to take responsibilities." (Couplet 518)

### 3.5 Have respect for your partners and suppliers

A trader's job should not be a self-serving endeavour. Trade should serve the interests of the society. Partners, suppliers and customers form part of the immediate society. Hence says Thiruvalluvar, "The business will be just and flourish, if the trader protects others' interest as his own." (Couplet 120) Thiruvalluvar does not consider fiscal capital everything. He wants the human capital that might come in the form those around one. For a businessman those around are partners and suppliers. That is why he says, "There is no gain without capital, so also, no stability to one without the support of the wise." (Couplet 449) If those around are unwise, to dispense with their company is also implied in the couplet.

### 4.1 Solve problems and improve processes by going to the source

What Thiruvalluvar says on diagnosis in curing ailments under the chapter Medicine is worth citing here. "Go to the root of the disease, fix the prime reason; tackle it first." (Couplet 948) The chapter's last couplet is also relevant, if the clinical context is extended to the corporate den for trouble-



shooting. It reads, “The method of curing has four parts, the patient, the doctor, the medicine and the one who administers the medicine.” (Couplet 950)

#### **4.2 Observe, verify what others tell; think and speak based on personally verified data**

Acting on unverified data causes a project's failures and losses. The reality of what happens is one thing, what is conveyed can be another. Therefore, verifying what is told is essential. Two Thirukkural couplets guide us much in this context.

This is a note of caution to the individual on perceptual difference between the reality and the illusion, the world of things as they appear to us and the world of things as they are, as mentioned in Western philosophy.

The individual errs out of his faulty vision; error in viewing. Tiruvalluvar refers to this as “Whatever be the nature of things as they appear, be wise to perceive the reality.” (Couplet 355)

There is another error in perception where the individual errs by his ear. He acts on what is being told. Because he trusts a person, he believes his words. Tiruvalluvar advises one not to do so. For erring in this aspect, the individual concerned is solely responsible. “Whatever you hear from anyone, delve into the truth of it.” (Couplet 423)

#### **4.3 Do not go down a path till you thoroughly considered alternatives**

This advice on Planning implies analyzing the risk factors also. Tiruvalluvar gives a caution in a couplet and advice in the next. “Before you plunge into action weigh well the objectives, obstacles and the benefits that would accrue.” (Couplet 676) “To know the best way of doing a task, you should consult the one who knows it in and out.” (Couplet 677)

#### **4.4 When you have picked, move quickly but cautiously down the path**

Deliberate before you launch anything is the advice given by many. That is endorsed by Liker also. Tiruvalluvar addresses this in different couplets, each emphasizing one or other of the finer aspects. Here are three from the chapter Firmness in Action. “Perform firmly and untiringly what is decided with a clear perception.” (Couplet 668) “Pursue with firmness, even against all odds, deeds that would give happiness to all.” (Couplet 669) “He who has no firmness in action, however firm otherwise, will earn no respect from the world.” (Couplet 670)

#### **4.5 Develop countermeasures to avoid the same mistakes again**

The normal instruction is “Don't repeat mistakes.” It is true in the classroom or the larger stage of life. A slight managerial twist is, “You can commit mistakes, but don't repeat mistakes.” What Liker has observed in Toyota is a strategy. The same is pointed out by Tiruvalluvar thus: “Don't do what calls for remorse; if you had done anything shameful once, don't repeat it.” (Couplet 655) The guidance in this context is, “Actions that lead to fame and virtue should never be avoided.” (Couplet 652) The criterion is doing always what is virtuous.

Profuse correlative points linking Toyota Management Principles and Tiruvalluvar might prompt Tamils to apply Thirukkural in Indian management.

## IV. Conclusion

The purpose of this paper is to contrast the features of Japanese management and Indian management. To this end, Toyota Management Principles are compared with the Indian Text Thirukkural. A great deal of overlap between these systems of thought was found, in spite of the great deal of time between their creations.

The Toyota Management Principles appear to have tapped into an approach that transcends the culture and time in which it was created and links into a knowledge that has been found to be true among many different cultures throughout history.

There is often resistance to foreign ideas and system when they are introduced across cultures. What we have found in the similarities that this study has described not only hints at the commonality between effective systems, but can serve as a base of understanding for the introduction of the Toyota Management Principles to the Tamil people.

Cultural imperialism is often a serious concern when two cultures such as these come together and this can be the source of resistance. Understanding that these principles are not new, but a new understanding of trusted traditional beliefs and perspectives can allay this concern.

In conclusion, there were many common features in Japanese and Indian management. Recognizing these similarities, particularly Toyota Management Principles and the Tiruvalluvar, may prompt Tamils to apply Traditional Tamil principles in Indian management.

### Acknowledgements

This working paper is part of the research “Eco Management in Retail Trade and Research on Consumer Selection” supported by a grant from the Institute of Industrial and Economic Research, Hannan University, 2009 and a Short-Term Invitation Program for Foreign Researchers.

### Notes

- 1) Thirukkural (Tamil: also known as the Kural) is a classic of couplets or Kurals (1330 rhyming Tamil couplets) , aphorisms celebrated by Tamils. It was authored by Thiruvalluvar and is considered to be the first work to focus on ethics, among the Buddhist - Jain literature of India. Thirukkural expounds various aspects of life and is one of the most important works in Tamil. This is reflected in some of the other names by which the text is known: *Tamilmarai* (Tamil Veda) ; *Poyyamoli* (speech that does not lie) ; and *Teyvanul* (divine text). It is dated anywhere from the second century BC to the eighth century AD. The book is considered to have been produced after *Arthashastra* by some historians and to precede *Manimekalai* and *Silapathikaram* since both the latter acknowledge the Kural text. The popularity of the Thirukkural is limited to Tamil Nadu and parts of the subcontinent. The most likely reason for the limitation is that it was written in Tamil. Thirukkural (or the Kural) is a collection of 1330 Tamil couplets organized into 133 chapters. Each chapter has a specific subject ranging from "ploughing a piece of land" to "ruling a country". According to the LIFCO Tamil-Tamil-English dictionary, the Tamil word Kural means *Venpa* verse with two lines. Thirukkural comes under one of the four categories of Venpas (Tamil verses) called Kural Venpa. The 1330 couplets are divided into 3 sections and 133 chapters. Each

chapter contains 10 couplets. A couplet consists of seven *cirs*, with four *cirs* on the first line and three on the second. A *cir* is a single or a combination of more than one Tamil word. For example, Thirukkural is a *cir* formed by combining the two words Thiru and Kural, i.e. Thiru + Kural = Thirukkural. It has been translated to many languages next only to the Bible, the Quran and possibly the Gita.

- 2) Thiruvalluvar is a celebrated Tamil poet who wrote the Thirukkural, a well known ethical work in Tamil literature. He is claimed by both the Tamils who practice Hinduism and the Tamils who practice Jainism as their own. Nevertheless, some consider him as a Jain showing internal textual evidence from Thirukkural.

Thiruvalluvar's period (based on references within Thirukkural) is between the second century BC and the eighth century AD.

Both Thiruvalluvar's faith and identity are disputed. Identities attributed to him include: a low-caste Hindu (Paraiyar), Jain, Buddhist, crypto-Christian, high-caste Hindu, Brahmin and half-Brahmin.

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