



# Application of Japanese management style to overcome the challenges of Indian small-scale businesses.

Author: Mr. Varad Rajan Bhanage.

Co-authors: Mrs. Priya P. Hirawadekar, Miss. Trishala V. Bhanage.

## Abstract:

In India, there are many running small businesses existing in different-different industries. Small businesses are those, functioning on a small level with limited resources and an affordable amount of capital. In many industries, small-scale businesses are growing very fast. But these small-scale businesses have to face many managerial challenges in the market. In this paper, we tried to put the limelight on, how the Japanese management style can help to overcome these challenges in a descriptive manner of analysis.

## Key Words:

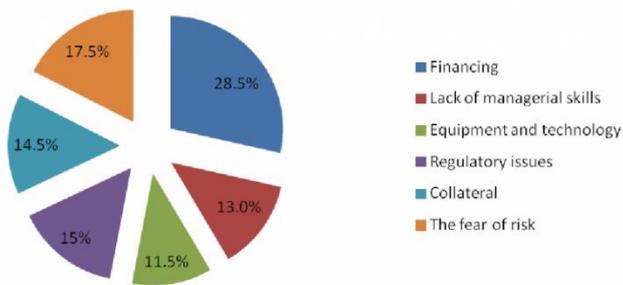
Japanese management style, Indian small-scale business, Challenges.

## Introduction:

A business that functions on a small-scale level involves less capital investment, less labour or human capital, and fewer machines to operate, known as a small-scale business. This small-scale business can be turned into a large scale with the help of an effective management style.

There are many challenges that small-scale businesses have to face while functioning or running the business in the market.

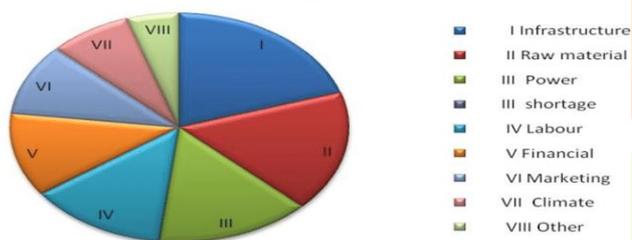
### Most pressing problems



Source: <https://ipanewspack.com/sme-sector-facing-insurmountable-challenges/>

S. No.	Problems	Total Scores	Average Scores	Garrett's rank <sup>a</sup>
1.	Power shortage	15628	52.09	III
2.	Raw material	15765	52.55	II
3.	Infrastructure	16280	54.26	I
4.	Financial	14962	49.87	V
5.	Marketing	14234	47.44	VI
6.	Climate	13958	46.52	VII
7.	Labour	15222	50.74	IV
8.	Other	13647	45.49	VIII

### Ranks for different problems of SSIs



Source: [https://www.researchgate.net/figure/problems-faced-by-Small-Scale-enterprises\\_tbl2\\_297758333](https://www.researchgate.net/figure/problems-faced-by-Small-Scale-enterprises_tbl2_297758333)

With the help of the Japanese management style, a small-scale business organization can work on various challenges. Also, it may help for effective management that may lead to sustainable growth and effective functioning of the organization.

### Ringi System:

The system requires the low-level managers to discuss ideas among themselves before discussing them with the higher managers. The higher managers are then required to discuss this among themselves until they reach a consensus. The process continues to the highest managers who may choose to implement the policies discussed or not.

In Indian organizations, if we implement this then the decision-making may become fast because everyone is part of the decision-making. The policies may go through various dimensions due to different-different views,

so there may be very fewer chances for defects in the policies. It may help to overcome the lack of managerial skills among the employees.

Nemawashi:

Nemawashi means making necessary arrangements. It is participatory decision-making that entails laying down the foundation and the changes needed in the organization by talking to the concerned people. Nemawashi allows for changes to be carried out with the consent of all the employees.

In Indian business, Nemawashi works for employees' positive responses to any changes and it will help employees to get whole ideas about changes done by the management. Nemawashi promotes transparency between high-level and low-level management. It helps to overcome the challenges based on climate changes or sudden industrial market changes.

Just-In-Time Approach:

It is a production technique where raw materials, labour, and goods are scheduled to arrive just when needed. The main reason for incorporating the just-in-time approach is to ensure that products are produced and dispatched on time.

In Indian business organizations, if we applied this approach, we will get various benefits, wastage of raw material can be prevented which reduces the waste cost. Also, it may help to be on time delivery of products. This approach can help with the effective management of raw materials and human resources. Also, it may deal with challenges regarding labour and raw material.

Lifetime employment:

The management style is mainly associated with the labour system. However, it's not been applied in many of companies. Lifetime employment requires large companies to hire employees after they finish their studies and keep them until retirement. The system also states that new employees are to be chosen from the general potential. The new employees are considered human capital, and they should be trained and equipped with all the relevant skills and then assigned to the various post of the company. Rather than hiring outsiders for managerial positions, the system advocates promoting their employees to the organizational system. There is no written agreement about lifetime employment, but the employees are aware that they should perform their duties well and with loyalty. Employers, on the other hand, are not supposed to dismiss employees even in challenging economic conditions.

This approach can deal with the problem of regulatory issues as employees are used to the system or the functioning of an organization so they can handle day-to-day tasks very easily.

### Seniority-based promotion and the wage system:

The pace of promotion is languid; however, the promotion from lower-level to high-level positions is mainly based on seniority. The number of years that one has worked for the company is crucial for getting a promotion. The reason for establishing promotion on seniority is the positive correlation between the length of service in the same job and the knowledge and skills acquired by the employee during that period. The wage structure is also based on seniority.

Seniority-based promotion helps an organization to motivate its own employees for better performance. It also helps with any kind of managerial issues as the promoted employee is already working with the organization for a big-time span.

### Quality control:

The management style ensures that the products produced are of high quality. The customer is the king in the business; thus, the company needs to ensure they make products that interest the customers to improve quality by following the six management fundamentals. They include quality of goods and services, cost of production, delivery time, safety, morale, and production capacity.

This approach may help an organization for dealing with problems related to marketing. If the quality of a product is good, then it may help to establish the buyers and also helps to get the trust of the current customers.

### Omikoshi management:

Omikoshi is the shrine that young men carry on their shoulders during a traditional Japanese festival. It means the younger should take responsibility and work as responsible people. Omikoshi management is where the middle-level management works together with the top-level management to achieve the company's goals and success. It's pretty challenging to identify the person who is the leader and one who is a junior-level employee.

In Indian small-scale businesses, the top management gives chance to the younger ones or subordinates from middle management for making strategic decisions and policies then middle management employees also get motivated for enthusiastic work. It will help the organization with decision-making and employee engagement toward the successful growth of the business. This approach deal with the challenges regarding managerial skills among the employees and it helps to motivate employees to take business risks for the organization.

Kaizen:

Kaizen literally means betterment or improvement. In this system, 5S' is involved in the continuous improvement of the organization. These are sorting out, self-discipline, standardization, shine, and *Seition*. Sorting out refer says keeping documents and things well-mannered. Self-discipline stands for following rules and regulations in a self-motivated manner. Standardization is having rules and procedures to ensure that they get high quality. Shine refers, to the organization should be kept clean. You should use a cabinet and drawers to store the essential documents and unnecessary documents should be shredded. *Seition* is the organizing. Employees should ensure that all activities are arranged in systematic order.

In Indian small-scale businesses, if we apply Kaizen, it will help to improve the organizing quality of the organization. It may help, the discipline of employees and concerned work which leads to high productivity and successful achievement of goals. This can help to overcome challenges regarding finance, human resources challenges, marketing challenges, infrastructure regarding challenges and many more.

Conclusion:

- Japanese management style can give a boost to Indian small-scale businesses for extraordinary achievements and growth.
- Japanese management style can help to reduce various challenges and quality control that occurs in Indian small-scale businesses.
- It may help to develop standard work culture within a business organization and promote the high-quality functioning of the business organization.
- Japanese management style can help to keep a balance between employee well-being and growth and profit-making aspect in Indian small-scale business organizations.

References:

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