

DEVELOPMENT OF APPROPRIATE MANAGEMENT TECHNIQUES FOR THIRD WORLD COUNTRIES

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1. INTRODUCTION

Many third world countries on learning of Japan's economic success have been much concerned with studying the present Japanese system and how to adopt some of the Japanese methods to their own situations. This has lead to an increasing interest in the Japanese system as a model of good performance around the globe thus leading to recent studies being focussed on Japanese industries. A common question posed is: "What can the study of other countries contribute to improve the practice in our country, especially when our customs and manners are different and techniques or methods may be of little use in different social context?" But this often has a chain effect, for, by studying management systems around the world, we discover the limitations and possibilities of effective management styles and techniques to foster fundamental reforms in our own society and industries. It enables countries to find new solutions to their problems, change existing patterns, and effect very promising changes which can lead to optimism. This paper examines the Japanese construction project management techniques and suggests possible approaches to the development of appropriate management techniques for third world countries.

2. MANAGEMENT APPROACHES

• Management style

Two major management style dimensions have been identified in this paper. These are the concern for the people (employee orientation) which is practiced in Japan and concern for production (task orientation) in most third world countries. Some special features of the Japanese management style include life time employment, seniority and wages, concept of fairness and harmony and consensus in decision making. In the Japanese society, there is a feeling of dependence, obligation to duty, mutual and reciprocal obligation and response to human feelings which includes all the natural human impulses and inclinations. The notion of life time employment cuts down workers' restlessness and insecurity and creates an atmosphere of cooperation and harmony.

Group dynamics based on established norms (goals, rules of behavior and concept of right way of doing things), which must be conform to, form the basis of Japanese management style. The internal organization of companies tends to tie individuals in a group to each other in an effort to strengthen the organization. There is group responsibility in decision making usually taken by group consensus and reward system is directed at group performance. The two-way communication organizational structure is used in most third world countries as compared to circle communication in Japan.

• Research and development

The Japanese government invests heavily in research and development in construction and this accounts to 2.81% of its gross domestic product. The quality and level of research and development in Japan is a subject of concern to both industry and government .

In the private sector, despite the existence of long term client-contractor relationships which could lead to a relax in construction innovations, Japanese contractors invest much in research and development. These investment are based not on short term profit but on long term growth.

The major contractors maintain highly sophisticated facilities devoted mainly for research. In Japan, 25 of the largest construction companies which undertake the largest proportion of Japanese construction spend 0.3 - 1.0% of their gross sales on research and development laboratories which employ 15-300 people.

• Job training

A Japanese company views each of its employees as an important investment and consequently is willing to spend a considerable amount of money to train and educate them on its business practices. Companies offer between six weeks to six months training for newly recruited graduates in the initial stages of their engagement. Entering a Japanese company is often regarded as an extension of formal education and training to attain the required skill for the job. This include training by job-rotation which promotes tremendous flexibility of the workforce and assist workers to develop human contacts and friendships within the company. The labor unions in Japan play an active part in training construction workers to attain the necessary skills by establishing training facilities for tradesmen at local levels.

Business firms in most third world countries employ persons to fill specific positions. During interviews for job positions emphasis is placed on job analysis and design to ensure that the person hired has the requisite academic qualification or experience for the job description. New employees are always put on

probation and they are sacked if they fail to meet the clearly defined requirements within the probation period. Employees are therefore self-centered, loyalty is to self and not organization and the desire is always to pursue personal and family-centered activities. Employees continue to search for better employment opportunities and change job easily after finding new and better jobs.

• *Seniority*

Seniority system is a major characteristic of the Japanese management style. Within an establishment or group, ranking is based on relative age and years of continuous length of service.

The system of ranking by seniority seems simpler and more stable, since once it is set it works automatically without any form of regulation or check. People know when and who to promote to a certain position and their turns, thus, consolidating the life time employment. People wait for many years to occupy the position of his immediate boss, usually until his boss's retirement or death, instead of applying for a higher position elsewhere.

3. INTEGRATED APPROACH FOR APPROPRIATE MANAGEMENT

To developing appropriate management techniques for the third world countries based on the Japanese system certain support systems should be considered. These include education and training, research and development and funding. This will vary from country to country. Figure 1 shows a suggested integrated approach. Before putting these support systems into place, there is the need to set targets.

• *Research effort*

Most third world countries lack appropriate research facilities. There is therefore the need to establish more research facilities in third world countries to actively engage in researches in a whole variety of construction related fields, ranging from basic research in construction materials to high technology. These would make dynamic contributions to construction technology and management by applying new project management techniques and construction technological advances in areas from project inception through to completion. They should tackle long term R & D themes that will help in total quality management of future projects in order to maintain unparalleled quality standards and deliver more reliable and marketable products.

• *Education and training*

Today's engineering projects require technical, economic, organizational, environmental and behavioral skills. The diffusion of a new technology or of an invention is slower in the third world countries because of the high illiteracy level and low intensity of research effort. Education can be used as a major instrument for transforming the culture or upgrading the social system.

• *Funding*

Major problem being faced by most third world countries is funding the development of appropriate technology. Assistance from the developed nations will help in the introduction of more advanced technology.

• *Implementation and monitoring*

Most new techniques introduced in the third world countries are not properly monitored to assess their effectiveness. Difficulties may be encountered in implementing the typical Japanese management style discussed above but proper attention paid to those difficulties as they appear will produce compromise appropriate management techniques for adoption.

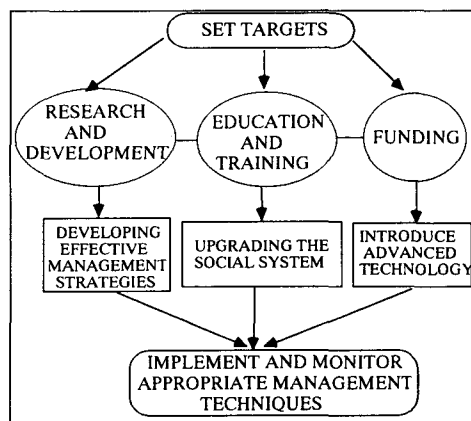


FIG.1 : An Integrated Approach

4. CONCLUSION

What is an ideal or international management system is difficult to define because the effectiveness of any management style depends on the socio-economic environment but guidelines could be set to ensure easy adoption and implementation of efficient management techniques from both the developed and third world countries. Considering the economy and technological development of most third world countries, the use of construction techniques which do not require sophisticated machinery and huge capital investment are of cardinal importance. The techniques have to be labor intensive. But due to increasing scope and complexity of future construction projects, local contractors in the third world countries should study and apply more advanced and new technology for project control and management to be more competitive. This will mean government organizations responsible for construction providing more technical and financial support for the local construction firms. Present educational curriculum should be modified to include more modern management.