

MODERN MANAGEMENT VERSUS TRADITIONAL MANAGEMENT

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ABSTRACT: *The paper aims to make a counter-study on the efficiency of using modern US-promoted management or traditional management promoted by Japan. Currently, due to the fact that U.S. businesses and Japan is characterized by the highest competitiveness, the most conceived managerial concepts and tools are American and Japanese, which are presented both in terms of the advantages and disadvantages of each of the two concepts.*

KEY WORDS: *management, traditional management, modern management, manager, organization, company, concepts and management methods.*

JEL CLASSIFICATION: *M16, M21.*

1. THEORIES IN GLOBAL MANAGEMENT

In a remarkable work, redirecting the structuring / consolidation of the Romanian management school, Professor Panaite Nica discusses the evolution of managerial thinking and practices on three schools and currents associated with them, as follows:

- the classical school with three distinct streams (scientific, administrative and bureaucratic management) with the following representatives: F. W. Taylor, H. Fayol, Gilbreth, M. Weber, L. Urwick, etc.;
- modern management (representatives: H. Simon, P. Drucker, Th. Peters, R. Waterman, H. Mintzberg, K. Ohmae, etc.).

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1.1. Classical School (Traditional)

In the classical school of global management, we identify three basic concepts of the beginning of management, each with prominent representatives and established works:

- Scientific Management, represented by Frederick W. Taylor, and *The Principles of Scientific Management*, 1911;
- administrative management, represented by Henri Fayol, and *Administration Industrielle et Generale*, 1915;
- bureaucratic management, represented by Max Weber, and *Theory of Social and Economic Organization*, 1915

The main contributions of the classicist school are:

- Defining a whole set of concepts and principles, the rational majority that laid the foundation for the science of leadership;
- the scientific approach to leadership and organization, formerly considered to be reserved for experience and intuition;
- the focus on the construction and the functioning of the organizational structure;
- emphasizing the organizational role of the organization;
- treating the organization on its formal side.
 - In addition to these contributions, classical schools have brought some criticisms such as:
 - mechanic vision;
 - the contradictory nature of some principles;
 - ignoring the motivations of the human factor.

1.2. Modern management

The management school structured since 1950 worldwide, with thinkers such as Peter Drucker and Alvin Toffler, was largely driven by the technical and economic realities of the Second World War; computer, telecommunication, the Internet and Artificial Intelligence are some of the tools that revolutionized the work of managers and the business orientation of companies. We continue to summarize the views / ideas of two world management figures since the 1950s, namely:

- *Alvin Toffler*, known as a futurologist and writer, former editor of *Fortune*, was particularly concerned about the impact of technology, social change and the role of power in society; alongside Bill Gates and Peter Drucker, he is considered one of the most influential voices for opinion leaders and today's political leaders.
- *Peter F. Drucker* (1909-2005), economist, professor (management, philosophy, economics, etc.), consultant, editor, etc. is required by *The Practice of Management*, 1954, in which it develops the MBO system and other original concepts; through *Management by Objectives* Drucker proposes a new philosophy in the relations between heads and subordinates, which, over time, should lead to a performance oriented organizational culture. According to Drucker, management is "the essential function of our times" and its

importance in modern society will be further amplified in the future; this opinion has been fully confirmed because management today distinguishes between success and failure in business, but also between "winners" and "losers" of any type of organization (NGOs, public administration, non-profit institutions, etc.). Among the different tasks of management, according to Drucker, some make a major difference between success / failure in business: establishing the company's objectives; organizing production and work, motivating and communicating on the whole organization, establishing methods to measure achievements achieved, developing people's capacity and performance.

2. TRADITIONAL MANAGEMENT – JAPAN

The ranking of the top 1,000 companies in the world according to the degree of capitalization of the market shows the following:

- Japanese enterprises hold 47% of the total value, with sales of US \$ 3,000 billion, US 32%, followed by Western European companies with only 17%;
- reprints, Japanese companies are the top 20.

A first specific element underlying Japanese behavior and management is the so-called "amae", which designates a specific state of dependence and support that exists among members of each organization. Amateur-based interpersonal relationships involve a certain emotional attachment, so that the addicted person has a specific behavior, avoiding taking on individual responsibilities, waiting for the head on which to depend to have an initiative and protect it. Human relationships resemble those between a mother and her child, in the sense that the dependent person has the desire to be discreetly loved and to be protected by her boss. Amma is of vital importance to the psyche and emotional stability of the Japanese, being a dominant of Japanese mentality and behavior.

Another element specific to the Japanese socio-cultural climate is so-called paternalism, groupism or familiarity. Essentially, it consists of the very strong consciousness of belonging to a group. As a result, in Japanese organizations, priority has the institutional framework and not the personal powers of their members. In close connection with the above-mentioned elements, there is another interpersonal relation specific to Japanese culture, which manifests on the verticality of any organization: oyabun-kobun (father-children). In essence, oyabun-kobun designates the relationships that are formed in the work process between people on different hierarchical levels. The person above in the hierarchy, in the position of boss, is oyabun, being subordinated to several kobuni, whom he treats equally without discriminating between them. Equal treatment for all his kobs is obligatory, otherwise he loses his oyabun status. According to the principle of order uniqueness, a kobun is always affiliated to a single oyabun.

Oyabun-kobun subordination relationships have the following features:

- the superior is older than his subordinate, has worked for a longer period in the company and holds a relatively high power within the organization;

- the superior acts for the benefit of the subordinate and manifests himself as a friend of his subordinate accepts the friendship and help of his ruler;
- these acts and feelings are the basis of the relationship between the two, with no explicit formal agreements between them;
- ideally, the subordinate feels grateful to his superiors, this feeling being accompanied by the senior desire.

In order to establish such relationships, appropriate rules of conduct are established, along with which a substantial contribution is made to the realization of joint leisure activities. Among these we mention:

- organizing 1-2 annual trips;
- weekend meetings for fun sharing together;
- organizing parties for "a glass of beverage" after program hours.

All these actions are funded by the organization. The result of these actions is the establishment of a special respect for the superiors, simultaneously with the proliferation of the "warm" leadership staff, with affectionate work style, concerned with the promotion, preparation and protection of the interests of the kobun.

Another major feature of the management and activity of Japan's organizations is the large proliferation of "groups" and "cliques" within them, dubbed "habatsu" in Japan, which are basic functional components of government bodies, political parties, large enterprises and so on. The most common constituent criteria are graduation of the same universities, marriage ties and joint work within the same collective. The groups protect the interests of the members and provide a system of contacts and balances within each system. The organization's surface harmony is maintained until the driving habatsu is attacked by another. The struggle is short on the order of the day, and the leaders who lose it are leaving the organization as a rule, restoring cooperation and harmony, as in the previous period.

The Japanese economy has a dual structure, the big economic groups called "zaibatsu" or "keiretsu", coexisting with a large number of small businesses.

Each zaibatsu is made up of a large number of businesses, a bank and a general trading company.

The Bank performs primarily the classic function of providing the main financial resources for the operation and development of the respective industrial group.

In addition, it achieves - a less common situation in other countries - an integrative function through the financial policies it promotes.

Japanese enterprises, characterized by rapid expansion, make massive loans; for this they have to accept the supervision of the bank, which sometimes even calls the general manager, thus losing its autonomy.

The general trading company carries out the commercial functions, also having an important role to play and to boost the development of the industrial group.

The main actions of the general trading companies are as follows:

- Produces the distribution of the products of the group;
- conducts marketing research;
- initiates the development of new companies, especially in new industrial branches;

- Organizes joint ventures in both Japan and other countries.
- provides loans to suppliers and customers of the group, especially small businesses;
- Buys shares for suppliers and customers of the group to build relationships with them.

There are strong economic and management links between the bank, businesses and the business company, which gives these great monopolies an impressive economic force demonstrated by the spectacular evolution of the Japanese economy over the last three decades.

The analysis of Japanese management in terms of Geert Hofstede's dimensions leads to the following findings:

More emphasis is placed on collectivism than on individualism, which is reflected in the importance attached to belonging and loyalty to the group and the organization, in promoting a group orientation.

The distance from power is simultaneously very large and, apparently paradoxical, very small. It is very large in terms of the existence of a very rigid hierarchy and the prestige enjoyed by formal authority at all the echelons of the organization. At the same time, it is very small, judging by the wide proliferation of the system of decision-making by consensus, a system involving the large participation of the staff, irrespective of the post held.

The avoidance of uncertainty is manifested by intense organizational systems and strategy-making, broad call-to-life, the use of wage and promotion systems based predominantly on seniority.

Masculinity - femininity. The masculine orientation of the Japanese context results from the wide differentiation of roles in society (for example, only men can engage in life) and from the emphasis given by individuals on obtaining money and other material advantages. There is also a series of elements of femininity, such as "amae". The most widely used types of organizational structures in Japanese enterprises are: functional, divisional, and matrix. Regardless of the type adopted, the aspects of the formal organization are of secondary importance in relation to the elements of the informal organization

The functioning and effectiveness of organizational structures is based on encouraging the initiative from the lower levels of the hierarchy, distributing responsibility to all the components involved in undertaking major actions, delegating tasks, competencies and responsibilities at the level of senior management at the level of the compartments. Driving results is less the result of formal organizational networking and more of personal relationships between the organization's components.

Within the organization, the middle management has a decisive role; it ensures the stability and efficiency of the system. At this level, the rotation of posts is widely practiced.

Top management focuses its efforts in three main directions:

- initiating and directing radical changes in company leadership;
- solving the crisis situations facing the company;
- promoting "public relations" with leading executives from other companies and government.

Over the last few years, the way of action of the top-level and medium-level management of large enterprises has made changes in the sense of amplifying top-down decision-making processes and authoritarian leadership. This ensures the speed of response required by the rapid dynamics of domestic and international markets.

3. MODERN MANAGEMENT - UNITED STATES OF AMERICA

North American management is a model for many countries in the world. The most common and used concepts and management methods are provided by the U.S.

Compared to Japanese management, the North American is characterized by an added diversity, hence the additional difficulty in delineating some general characteristics

Both the U.S. and Canada is characterized by a strong individualism. Citizens enjoy a great freedom of individual action, their economic initiative being encouraged in multiple ways. The individual is considered to be the main artisan of the development and prestige of these two nations.

The distance from power is reduced, with national consensus for diminishing inequalities between individuals based on encouraging and rewarding the valuable ones. Consequently, decentralization of economic and management systems is frequently used, with positive effects on the quality of everyday life and the functionality of management systems.

Combining a pronounced individualism with a reduced distance from power is a feature of most Western developed countries.

The uncertainty avoidance dimension has an average value in the U.S. and Canada compared to other countries surveyed by Hofstede. Generally, North Americans pay special attention to ways to minimize future-related risks by developing plans and programs, and by promoting highly organizational organizational structures.

Regarding the masculinity-femininity dimension, North American societies are characterized by a strong male character. His concrete phrases are:

- a strong differentiation of social roles by gender;
- the money-rush that characterizes the mentality of most North Americans;
- the high social status of successful people, these "super-men" enjoying a special social advertisement.

These elements strongly mark the management at the level of the economic agents, maximizing the profit being the priority objective, the male employees benefiting from the salary and promotion, the motivation through money gains being paramount.

North American operations have based their dynamic developments mainly on the technical factor. It was only in the 1980s that many people rethought the umenian factor as a result of the particularly high labor cost in commodity prices as well as the Japanese influence. According to the results of some empirical investigations, labor costs in US businesses in 1982 were double to those in Japan and more than 10 times higher than those in developing countries.

Thus, the human factor has begun to be addressed as a primary resource of the enterprise. Accordingly, there is a change in the terminology used: for example, the

"staff manager" has become the human resource manager (HRM). Its main objectives are:

- the concrete participation in the elaboration of the company's overall strategy;
- developing a specific strategy on human resources, harmonized with the precedent.

In order to be able to achieve these goals, the human resources manager must have several features:

- to be well aware of the operations involved in the employment, distribution and development of human resources;
- be able to apply the specific human resources strategy in conjunction with the company's overall strategy;
- to act as a professional consultant on human resources for those in the production and functional departments, which implies the possession of appreciable knowledge about the organizational structure, organizational changes and development, and the control of the activities.

4. CONCLUSIONS

In conclusion, the human resources manager is one of the main contributors to the top management of the enterprise, and its contribution is considered essential to ensure competitiveness.

In order to characterize the content and characteristics of the work of senior executives in the U.S. over the past decade and a half, Mintzberg's approach to the roles specific to their work is frequently called for. Based on in-depth fieldwork, Mintzberg believes that the work of managers can best be described by identifying and analyzing the roles actually interpreted by the manager. He identifies 10 roles that he groups in 3 areas, as follows:

- representation roles, leader and contact person - in the interpersonal field;
- the role of monitor, information transmitter and spokesperson - in the information field;
- entrepreneurial roles, malfunctions, resource allocator, and negotiator - in decision-making.

Research findings have shown that the most important of these roles are leaders and resource allocators. Overall, the differences between North American managers, by sector and type of enterprise, are relatively small due to their specificity and contextual coordinates in which companies and managers operate.

Regarding managers' skills, knowledge and skills, research shows that the most important are the human side of management, considering elements such as:

- verbal and written communication;
- the ability to listen to others;
- self-mastery under stress.

The second is the conceptual skills, followed by the technical ones, the latter being the political ones.

From the point of view of the management work characteristics, the following characteristics are considered as defining for the American managers:

- concision;
- variety of approaches;
- pronounced fragmentation of the working day.

This explains the preference of managers for verbal communication - telephone conversations and meetings in particular. Another dominant feature of leadership work is the predilection of the problem solving, which results in insufficient time for study and self-development. Relatively frequent are the crisis situations that managers have to solve, where the importance and weight of the human side of leadership, long-term planning and organizational improvements.

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