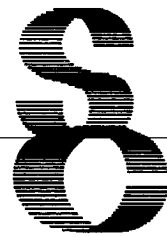


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Japanese acceptance of Mintzberg's suggestions

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- *This article analyses Japanese acceptance of Mintzberg's suggestions by examining the responses of a questionnaire.*
- *Based on the responses, two major lessons from Mintzberg for the Japanese might be to pursue balance among four characteristics of strategy and to use the left-side of the brain more.*
- *In addition, the article examines the issues for Japanese management now.*
- *It suggests the need to practise strategic management as Japanese corporations progress towards the 21st century. Copyright © 1999 John Wiley & Sons, Ltd.*

Introduction

This article examines acceptance of Mintzberg's suggestions, mainly in the book *The Rise and Fall of Strategic Planning* (1994), by Japanese managers and specialists. A questionnaire, shown at the end of this article, was sent to Japanese managers and specialists who were members of the Japan Strategic Management Society (JSMS) or those who were related to JSMS, in order to collect data on acceptance of Mintzberg's suggestions. By examining Japanese acceptance of Mintzberg's suggestions, we hope to suggest what is needed for Japanese corporations approaching the 21st century.

Responses to questions relating to planning

As far as the degree of environmental change for Japanese corporations is concerned, 88% of responses answered that it has been much higher than 10 years ago. In a highly changing environment, planning is assumed to be an effective method for strategy formation. Some 62% of Japanese managers consider planning as an effective method. Also, emphasis on planning is on the contents of plans rather than on the processes of plans.

Responses on the effectiveness of planning might reflect that strategy formation is emphasized in planning. In addition, more than half of

respondents considered that the process of planning is 'very much' effective in learning (56%). If the responses of 'it is effective in some degree' are included, 96% of responses agree with effectiveness in learning. When questions I-2, I-3, and I-4 are considered then effectiveness of learning seems important for strategy formation. In terms of commitment of top managers to planning, it seems that a plan can't be achieved only by top managers' involvement in planning.

Here, we would like to examine some of the assumptions in Mintzberg's discussions. First, Mintzberg lists the following as definitions of planning in *The Rise and Fall of Strategic Planning* (1994):

- (1) Planning is future thinking (7).
- (2) Planning is controlling the future (7).
- (3) Planning is decision making (9).
- (4) Planning is integrated decision making (11).
- (5) Planning is a formalized procedure to produce an articulated result, in the form of an integrated system of decision (12).

In the book, he adopts the fifth definition. However, according to the responses returned, the first definition seems to fit as the definition of planning in Japanese management.

Mintzberg also lists four reasons of 'Why Plan'. Those are:

- (1) Organizations must plan to coordinate their activities (16).
- (2) Organizations must plan to ensure that the future is taken into consideration (17).
- (3) Organizations must plan to be 'rational' (18).
- (4) Organizations must plan to control (19).

There, he seems to emphasize the third and fourth reasons. However, the second reason seems to be emphasized most in Japanese management according to the responses.

However, in the question of the characteristics of making plans and strategies, 12% of the responses are 'completely the same', 53% of them are similar in some degree. This result seems to mean that planning is considered not as a complete method even though planning is

seen as an effective method for strategy formation. It could be guessed by recognition of an emergent strategy in questions II-7 and II-8.

Then, Mintzberg discusses the meanings of strategy as the following:

- (1) Strategy is a plan (23).
- (2) Strategy is also a pattern (23).
- (3) Strategy is position (27).
- (4) Strategy is perspective (27).

Based on the responses in the question I-7, strategies seem to be recognized as a plan as well as a pattern in Japanese management.

As far as the detachment between strategic work and operating work is concerned, 33% of responses are 'always necessary', and 55% of them are 'necessary in some degree'. Among the ones that are 'always necessary', the responses from specialists are larger than those from managers (11 responses to six responses). Among the ones that are 'unnecessary', the responses from managers are larger than those from specialists (five responses to two responses). The former seem to recognize that operating works drive away strategic works, and the latter seem to recognize the existence of emergent strategy.

Mintzberg raises the assumption of detachment as one of the fundamental fallacies of strategic planning. He discusses,

if the system does the thinking, to produce the strategies to be implemented, then thought must be detached from action, strategy from operations, ostensible thinkers from real doers, and, therefore, strategists from the objects of their strategies (223)

The responses in the questionnaire here do not necessarily acknowledge the assumption of detachment completely in Japan. However, the need for detachment between strategic works and operating works is almost acknowledged.

Responses to questions relating to characteristics of planning

As far as the true nature of planning is concerned, the responses for discontinuity of

the present occupy 33% and those for both occupy 46%. This might be an inevitable result since respondents seem to recognize planning as a method of strategy formation in questions I-2, I-3, I-4, and I-5. Therefore, it is possible to put creative thinking into planning. Eighty three percent of respondents say 'possible'. If only managers' responses are taken, it becomes 88%.

Considering the act of 'analysis' attached to planning, 37% of the respondents say that it tends not to be acclimated although none of the respondents says that it is not acclimated at all. The other responses are that it tends to be acclimated (29%) and it is acclimated very much (23%). This could be the reflection of Japanese management which recognizes analysis as an issue of creative thinking in question II-2 as well as paralysis by too little analysis, whereas it is paralysis by excessive analysis that is often a concern in Western management. This, again, disagrees with Mintzberg's discussion: 'because analysis is not synthesis, strategic planning is not strategy formation as the grand fallacy of the planning school' (321).

Japanese management seems to have various thoughts on the concept of strategic programming. The ratio of 'Yes':'No':'No answer' is 33:44:23. This ratio is similar between managers and specialists. Among the responses of no answer, several managers list the following:

- (1) It depends on the situation.
- (2) Staff creates strategy, and line makes planning and implementing.
- (3) An organization may be changed in order to create strategy.
- (4) Practice is different although a textbook says yes.

Several specialists list the following:

- (1) The change for that has been expected even though it had that tendency before.
- (2) It depends on the tasks and characteristics (innovative or operating) of an organization.
- (3) Planning and strategy creation are influenced by each other.
- (4) It is needed to put emergent strategy into planning.

Planning might be a factor of strategy programming. However, Japanese management seems to need planning for strategy formation that doesn't have such a factor.

Mintzberg discusses strategic programming as a role of planning. In other words, an organization engages in formal planning, not to create strategies but to programme existing strategies. That is, to elaborate and operationalize their consequences formally (333). We can, however, see that Japanese management needs planning in order to create strategy.

As far as the obstacles of formalization of strategic thinking to strategy making, the ratio of 'Yes':'No':'No answer' is 27:41:31. The interesting point here is that the number of responses of 'Yes':'No' among specialists are 8:9 whereas the number of them among managers are 6:13. It might mean that managers don't recognize the obstacles of formalization. The responses of 'no answers' from managers are given in the following:

- (1) It depends on the objective and scope of formalization.
- (2) We should not depend on only formalization for the change though it is needed.
- (3) Formalization of strategy formation processes is available even though formalization surrounding the nature of strategy is difficult.
- (4) It depends on the intelligence and practice of people who utilize strategy.

Specialists rather agree on the obstacles of formalization. It might mean that they see through the momentum of organizations that can easily fall into the obstacles of formalization compared with the managers inside organizations.

Mintzberg discusses the assumption of formalization. A strategy making process can be programmed by the use of systems. According to his discussion, it is one of the fundamental fallacies of strategic planning. Observing the responses here, we can understand that formalization is not sufficient for strategy formation though it is certainly needed in some degree.

*Formalization is not
sufficient for strategy
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is certainly needed*

In the responses to the question of resistance to make planning, the ratio of 'Yes': 'No': 'No answer' is dispersed as 31:42:27. Similar to question II-5, specialists rather say 'Yes' than 'No' whereas managers rather say 'No' than 'Yes'. More than half of managers claim disagreement on resistance. This question might also be one related to the conservative characteristic of planning, discussed as one of the fallacies of planning by Mintzberg.

When the corporate environment is stable, deliberate strategy (42%) seems more effective than emergent strategy (12%). However, when the changes of corporate environment are turbulent, deliberate strategy (2%) seems less effective than emergent strategy (46%). The responses from both managers and specialists for emergent strategy increase dramatically. We may have to note here that the effectiveness of emergent strategy under turbulent environment is recognized though planning is considered as an important method for strategy formation. Managers especially seem to recognize the existence of emergent strategy even though many of them haven't had opportunities to read Mintzberg's works, seen in question III-3. It could be said that many Japanese managers mix both emergent strategy and deliberate strategy without using Mintzberg's definitions.

Responses to questions relating to Japanese management

Now, we shall examine the reasons why Japanese management has been making such a low performance in recent years. Almost half of the respondents (47%) say 'absence of strategic management' as the source of low performance. This response may be derived from the fact that the respondents are

members or related people of JSMS. The response for 'absence of strategy' or 'strategic planning' is 13% each, and 26% of respondents say 'others'. An interesting point here is that the details of respondents who answer the absence of strategy are five specialists and two managers while those who answer the absence of strategic planning are seven managers only. Considering Porter's discussion (1996) on the absence of strategy in Japanese corporations, it might be applicable only as the opinion of specialists. Japanese managers seem to pay attention to the absence of strategic planning rather than strategy.

As far as the question on what management of Japanese corporations need for the future is concerned, 60% of respondents say strategic management. The responses of strategy and strategic planning are 11% and 13%; the numbers of both answers are almost the same. Of course, the Japanese might have various opinions for the needs. However, we might be able to see one direction, which is for building strategic management containing strategy and strategic planning.

Now, we would like to consider the relations between Mintzberg's discussions in *The Rise and Fall of Strategic Planning* and the present situations and issues in Japanese management. Borrowing from the contexts of Mintzberg, Japanese management may still be a believer in 'strategic planning'. Are reasons such as 'fundamental fallacies', 'real pitfalls', or even a 'grand fallacy' responsible for low performance occurring in the Japanese business world? Considering the result from the responses here, we may not be able to say so since Japanese management didn't overlook a 'strategy as a pattern' or 'emergent strategy'. Then, what is the reason anyway?

If we try to find the reason from Mintzberg's discussions in the book, we may have to go back to the four definitions of 'strategy', shown earlier. Based on the responses of the questionnaire, strategy is seen as a plan as well as a pattern in Japanese management. If it is so, we could hypothesize that the absence of the other two meanings of strategy may be the true reason that causes the present situation of Japanese management.

Unfortunately, the precise discussion on the remaining two meanings of strategy is lacking in the book. The only comment we can find in the book is,

Clearly, organizations have to consider both positions and perspective in their strategy formation. A literature that favors one over the other does a disservice to the process (29).

Mintzberg somehow seems to ignore the other two meanings, which may be effective to describe the dramatic history of the rise and fall of strategic planning. The same could be said of Japanese management, which might understand a plan and pattern as meanings of strategy only.

Porter (1996) points out that Japanese corporations have almost no strategy, and they are the ones which started a revolution of global scaled operating efficiency from 1970s to 1980s. As a result, they had long-term advantages in terms of cost and quality. However, many Japanese corporations haven't built a clear strategic position as pointed out in the article. For example, Sony, Cannon, and Sega are exceptions that built strategic positions whereas many Japanese corporations didn't. Most of them just imitated others. Also, JSMS has been developing new management concepts including philosophy/vision driven management (this might be closely related to a strategy as perspective) and advocating them to Japanese corporations through the activities of study meetings such as FORUM since the beginning of 1990s.

With those contexts, the only lesson from Mintzberg's book for Japanese corporations might be ironic: to pursue the balance among four dimensions of strategy, including two dimensions not precisely written in the book.

As far as the Japanese familiarity with Mintzberg's work is concerned, *The Rise and Fall of Strategic Planning* has been read by 42% of the respondents here. It should be noted that 73% of the readers are specialists. Eighty eight percent of managers haven't read the book.

Managers have rarely read other books written by Mintzberg.

Based on the results derived from the responses here, Japanese management may have a different perspective from the discussions in *The Rise and Fall of Strategic Planning*. Mintzberg's criticisms of strategic planning cannot be applied to strategic planning practised by Japanese corporations. However, some of his constructing proposals have emerged in the management of Japanese corporations before.

Reasons for the grand fallacy of Japanese management

Now, we may have to ask once again what is the reason for the present situation of Japanese corporations. One of the answers to the question was shown earlier. Here, we would like to introduce another viewpoint even though it might not be a direct answer. That is from 'Advice to Japanese Managers' in the section of 'Guidelines for Readers' written in the Japanese version of *The Rise and Fall of Strategic Planning* by Professor Gen-Ichi Nakamura, executive vice president of JSMS and the advisory translator of the book for the Japanese version. That section is a product of FORUM VII studied by 20 JSMS members including the authors. We hope that the section would be read as the results of the studies on Mintzberg's strategic planning concepts and reports of Japanese management in present situations.

In the section of 'Advice to Japanese Managers', the author discusses the position of planners as experts in corporations as follows.

There are several differences between Japanese corporations and American corporations in terms of the position of planners. As far as the author knows, there are four characteristics for planners in American large corporations as follows.

- (1) Many of them are assistants to CEOs, responsible to achieve optimum corporate management.

- (2) Many of them are in charge of making corporate plans, implementing aside.
- (3) Many of them are MBA graduates, mastering techniques of strategic management.
- (4) Many of them may not have the experience in operating works since they are 'professional' planners.

On the other hand, there are also four characteristics for planners in Japanese large corporations as follows.

- (1) Many of them are assistants to the top managers in charge of planning (vice-president, managing-director, or director) in many cases.
- (2) Many of them are in charge of adjusting corporate plans, implementing aside.
- (3) Besides some exceptions, many of them happen to become MBAs (managers by accident); that is, they tend to be amateurs to techniques of strategic management at least at the time of appointment.
- (4) Many of them have experience in several operating works even though they are amateurs as planners.

Considering the above mentioned, the following could be read as two contrasting characteristics.

- (1) Planners in American large corporations tend to be 'special personnel' as professionals isolated from operating line managers. They need to develop and implement strategic planning systems applying the basis of their own approaches. They also need to demonstrate their own expertise consciously to CEOs. As a result, they tend to emphasize logic (or analysis) and ignore operating work (or reality). They also tend to be individuals left out of the organization. Operating managers may see planners as 'sworn enemies' on occasions.
- (2) Planners in Japanese large corporations tend to be 'ordinary personnel' as

Planners in Japanese large corporations tend to be 'ordinary personnel'

amateurs having similar feelings to operating line managers. They need to coordinate corporate optimum and divisional optimum between top managers and operating managers even though they maintain closeness with their bosses formally. As a result, plans become conspicuous in terms of immaturity of approaches and quality due to lack of logical (or analytical) development. However, there are strong relationships between operating managers and planners since they have close ties as members of 'a friendly amateur club'.

Then, the author provides advice to Japanese managers as follows.

According to the messages in *The Rise and Fall of Strategic Planning*, strategic planning in American corporations may have been developed to make too much of logical (or analytical) works; that is to say the type of left-side of the brain. Mintzberg's approach in the book seems trying to maintain the appropriate balance between two-sides of the brain by denying the emphasis on the left-side of the brain and changing the emphasis on the right-side of the brain. The appropriate balance might not be discussed with concrete explanation in the book.

Here, let's examine the present situation of strategic planning in Japanese corporations. According to the author's observation, Japanese corporations are generally behind by about 10 to 20 years compared to American corporations in terms of the development of strategic management containing strategic planning (Nakamura, 1997). Based on the above discussion, Japanese managers in general do not use the left-side of the brain

since they do not seem to be good at logical (or analytical) works applying Mintzberg's metaphor to Japanese managers. The opposite approach that Japanese managers are good at is the type using experience, intuition, and gut. That may be the type of the right-side of the brain in the meaning of not being the type of left-side of the brain at least (unless there is the type of no brain).

Therefore, Japanese managers in general should not simply interpret Mintzberg's comment as 'it is good for not using left-side of brain'. If they just accept his comment without deep thought, Japanese managers, who are of the type that use experience, intuition, and gut without an excellent right-side brain may not depend on the left-side brain at all and may lead their own corporations in an unfortunate direction.

As a provisional conclusion, Mintzberg's message to Japanese managers in general, despite of, or thanks to his suggestion, may be that 'Japanese managers should use left-side of brain more'. Considering that many parts of *The Rise and Fall of Strategic Planning* basically have a 'cynical tone', the advice to Japanese managers may inevitably carry out his 'cynical tone'.

Conclusion

This article starts to analyse how Japanese managers and specialists accept Mintzberg's suggestions by examining the responses to a questionnaire. The respondents are Japanese members or related people of JSMS. Even though the data were not statistically examined, we could derive several interesting thoughts from them. In addition, we examine the issues for Japanese management in recent years and suggest what is needed for Japanese corporations approaching the 21st century.

Biographical notes

Koichi Aoki born in 1949, established Communication Arts, a consulting firm, dealing with corporate communication in 1985. He is principal of KosmicArt, a management consulting and project planning firm. His latest publication is 'Leadership in interactive management' (*SMR*, Vol. 23, No. 1, 1998). He is a director of JSMS.

Dae-Ryong Choi, D.B.A. born in 1959, gained a doctoral degree under the guidance of Ansoff and Nakamura. He is a full-time lecturer in Kure University, teaching strategic management, management organization, and international business. He is trilingual, using Japanese, English, and Korean. He is a director of JSMS.

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Questionnaire

- I-1 Has the degree of corporate environmental change been higher compared to 10 years ago?
- 1 It has been much higher.
 - 2 It has been higher in some degree.
 - 3 There is almost no change.
 - 4 It has been lower in some degree.
 - 5 It has been much lower.
- I-2 Do you think that planning is effective to strategy formation?
- 1 It is effective very much.
 - 2 It is effective in some degree.
 - 3 It is not so effective.
 - 4 It is not effective at all.
 - 5 It can't be answered. (Reasons:)
- I-3 Which do you think to be emphasized in making plans; contents of plans or processes of planning activities (programming, applying checklists and techniques, and scheduling those works)?
- 1 Contents of plans.
 - 2 Processes of planning activities.
 - 3 Both.
 - 4 Neither.
 - 5 It can't be answered. (Reasons:)
- I-4 In what do you think the effectiveness of planning?
- 1 It clears corporate activities for the future.
 - 2 It unifies wills and activities of workers.
 - 3 It makes loan from financial institutions easier.
 - 4 Others. ()
- I-5 Do you think that the process of planning itself is effective in learning?
- 1 It is effective very much.
 - 2 It is effective in some degree.
 - 3 It isn't so effective.
 - 4 It can't be answered. (Reasons:)
- I-6 Do you think the commitment by top managers to planning is important for the achievement of plans?
- 1 It is important very much.
 - 2 It is important in some degree.
 - 3 It is not so important.
 - 4 It is better off when there is no commitment.
 - 5 It can't be answered. (Reasons:)
- I-7 Do you think the characteristics of making plans and strategies are the same?
- 1 Completely same.
 - 2 Similar in some degree.
 - 3 Completely different.
 - 4 It can't be answered. (Reasons:)

- I-8 Do you think that detachment between strategic work and operating work is necessary?
- 1 Always necessary.
 - 2 Necessary in some degree.
 - 3 Unnecessary.
 - 4 It can't be answered. (Reasons:)
- II-1 Do you think the true nature of planning is the continuity of presence?
- 1 Continuity.
 - 2 Discontinuity.
 - 3 Both.
 - 4 Neither.
 - 5 It can't be answered. (Reason:)
- II-2 Do you think that it is possible to put creative thinking in planning?
- 1 Possible.
 - 2 Impossible.
 - 3 It can't be answered. (Reasons:)
- II-3 Do you think that analyses are not acclimated to strategy making or creative work essentially?
- 1 It is not acclimated at all.
 - 2 It tends not to be acclimated.
 - 3 It tends to be acclimated.
 - 4 It is acclimated very much.
 - 5 It can't be answered. (Reasons:)
- II-4 Do you think that an organization makes formal planning in order to program existing strategies; not to create new strategies?
- 1 Yes.
 - 2 No.
 - 3 It can't be answered. (Reasons:)
- II-5 Do you think that formalization of strategic thinking becomes obstacles to strategy making?
- 1 Yes.
 - 2 No.
 - 3 It can't be answered. (Reasons:)
- II-6 Do you think that the resistance to make planning comes from the concern in which it changes existing operations and makes them unstable?
- 1 Yes.
 - 2 No.
 - 3 It can't be answered. (Reasons:)
- II-7 Which do you think more effective under stable corporate environment; a deliberate strategy or emergent strategy?
- 1 Deliberate strategy.
 - 2 Emergent strategy.
 - 3 Both.
 - 4 Neither.
 5. It can't be answered. (Reasons:)

II-8 Which do you think more effective under turbulent corporate environment; a deliberate strategy or emergent strategy?

- 1 Deliberate strategy.
- 2 Emergent strategy.
- 3 Both.
- 4 Neither.
5. It can't be answered. (Reasons:)

III-1 What do you think the source of the present corporate situation in Japan?

- 1 Absence of strategy.
- 2 Absence of strategic planning.
- 3 Absence of strategic management.
- 4 Others. (List:)

III-2 What do you think that Japanese corporations need for the future?

- 1 Strategy.
- 2 Strategic planning.
- 3 Strategic management.
- 4 Others. (List:)

III-3 Have you ever read Mintzberg's *The Rise and Fall of Strategic Planning*?

- 1 No.
- 2 Yes. (Write short comments below)

III-4 Have you ever read Mintzberg's other works?

- 1 No.
- 2 Yes. (Write the names of works and short comments below)