

CIB on wings



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Caux Initiatives for Business
Global Secretariat
Asia Plateau
Panchgani
412805 India

M csc@cibglobal.org
P +91 8408 940 940
W www.cibglobal.org



Initiatives of Change
Caux Initiatives for Business

Editorial

Dear Readers,

Personal sharing from successful business persons has a remarkable way of inspiring fellow-business leaders. It is for this reason that Caux Initiatives for Business has decided to carry in this issue some real-life experiences that Konosuke Matsushita had to pass on. Not only has Mr. Matsushita been able to establish a successful global enterprise, but more importantly, a sustainable one. It is this therefore that adds weight to his sharing. This particular issue covers his experiences with human resources.

A small planning team that CIB had formed to prepare for the 2018 events met once again at Mumbai on March 28. We are happy to include in this issue a brief report of some of the things they discussed.

Happy Reading!

Editor

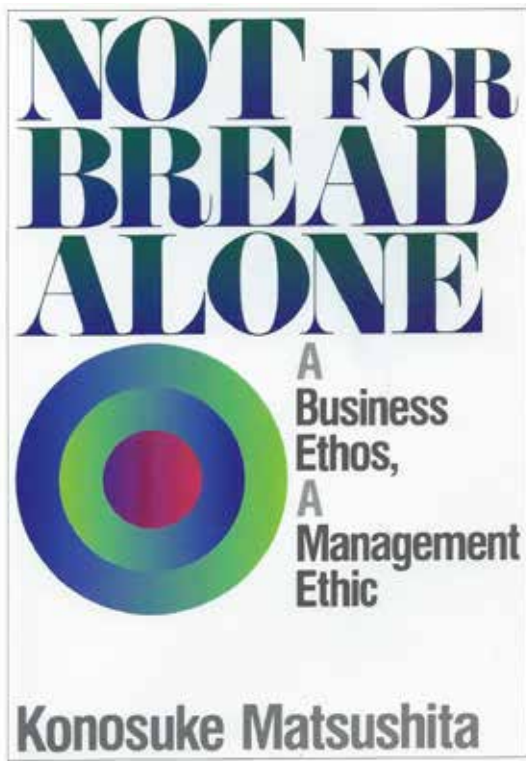


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Published by Sarosh Ghandy, Chairman – CIB, Friends of Moral Re-Armament (India), Asia Plateau, Panchgani - 412 805, India

Secrets to Sustainability

Examples from Konosuke Matsushita



Konosuke Matsushita was the founder and Chairman of one of the biggest and most respected firms in the world—formerly Matsushita Electric Industrial Co. Ltd, and National which was later rechristened, Panasonic Corporation. His philosophy of business is idealistic, and it is inspired by an almost religious sense of mission. It centers on people, on his earthy, realistic understanding of human nature. This combination gives his comments on business a vital immediacy.

***Not for Bread Alone** offers the serious businessman valuable hints, some of them so common-sensical as to be unorthodox, on conducting himself and guiding his company to prosperity, as well as maintaining personal balance and integrity in the process. Below are his thoughts on human resources in business.*

Human Resources

An Objective Sense of Self

When you think about it, a private enterprise is really a public institution, insofar as it is expected to contribute some benefit to society as a whole. Given the public nature of its *raison d'être*, a private firm, large or small, must help its members grow as people and become responsible citizens. The young men and women who join a company that has a personnel policy designed to enrich their human potential are fortunate indeed.

A sense of self and the ability to be objective are qualities that I believe

corporate management should try to cultivate in employees. Sound sense and good judgment are important for anyone, but especially for businessmen. A businessman must face all kinds of situations that can change from one moment to the next. He must perceive the situation accurately and respond-often quickly-with the most appropriate decision.

One cannot assess a situation correctly, however, unless he knows his own strengths and weaknesses. A company or any group for that matter, composed of people who know themselves and who can deal adequately with any given situation will be successful. That kind of group, furthermore, will work together well, free of internal schisms.

An organization whose members lack perspective and an objective sense of self, on the other hand, will probably not last very long. Its individual members may be competent and have all the right information, but they will not be able to pass sound, unified judgment on the problems that confront them.

Still, we are all human; only God can know the truth about everything.



We have no way of knowing what is absolutely correct or of judging the truth. It is impossible to teach your employees how to assess a situation correctly. But you can tell them always to remember the importance of sound judgment, and they can learn by experience. The person with a sense of self is aware of his own imperfections and, at the same time he is determined to be accurate in his evaluation of a situation.

Without those qualities, including the willingness to keep trying, he will not go far in business. Managers and workers alike must never cease the effort to develop the ability to make sound judgments. A company composed of such individuals will be strong and prosperous, and will be able to multiply its contribution to society.

If I have any 'secret:' it is a natural inclination to trust my staff and seek their co-operation.

Trust Your Employees

People often compliment me on the way I handle personnel management. "What is your secret?" they ask. That is hard to answer, since I do not have any special conscious techniques. All I can do is explain my basic attitude toward the people who work for me.

There are several ways of managing one's employees. One, apparently, is to use extraordinary wisdom and exert charismatic leadership in order to inspire workers to do their best. I have never approached my job that way since, lacking both those qualities, I do not belong to this category of manager. I am the type who consults his staff and asks for their wisdom. I have found that people are generally more willing to cooperate when you solicit their advice than when you try to tell them how to do everything. If I have any 'secret:' it is a natural inclination to trust my staff and seek their cooperation.

I do not claim that my approach is always workable or widely applicable. An exceptionally competent manager who is capable of arriving at the right decisions without consulting his subordinates will get the job done the most efficiently by issuing orders. Such streamlined management often brings great benefits to the company and everyone concerned.

If a manager does not have that sort of capability, then my style of personnel management is perhaps more desirable. I often have the feeling that anyone of my employees is more competent and more knowledgeable than I am. Perhaps because I had very little formal education, I am prone to admire others for their achievements and skills. I trust my employees for what they know and what they have. So when I want to get something done, I tell one of them, "I can't do it but I know you can." Someone who knows he is trusted tries to do his best and eventually succeeds.

All this should not be taken to mean that I never give orders and never scold my employees. In my capacity as president or board chairman, I have had to use strong words on occasion in reprimanding people on my staff for their failures or blunders. But I have never thought myself superior to them in intelligence or knowledge.

An observation I have made over the years is that companies whose



top management trusts and praises their employees are by and large successful. In contrast, when the president is the type who complains frequently about staff incompetence, the company itself is usually in trouble. I have no statistics to prove this, but I believe there is some truth to it. The “I am better than you” attitude on the part of the top person can cost him his entire business. A genuine sense of humility, on the other hand, will give him huge dividends, both tangible and intangible.

“If I made such a mistake,” I said, “there is no one who would say anything right to me, but you can bet there would be a lot of criticism behind my back. And it doesn’t help at all. I would go on making the same error.

A Priceless Opportunity

Once a junior executive in my company made an error serious enough that I could not overlook it. I wrote him a letter containing an official reprimand, but before giving him the letter, I called him into my office to tell him what I was about to do. I then asked him how he would react to getting a letter from me regarding his misconduct. “If you don’t think you deserve it, then there is no point in giving it to you;’ I told him. “But if you acknowledge your wrongdoing and are sorry for it, then it is worth the trouble, as it might help you improve your performance in the future. If you think the letter of reprimand is too late to change anything and, therefore, useless, I won’t give it to you!’

The young man said he would be happy to receive the letter. Just as I was about to hand it over, his immediate supervisor and one of his colleagues walked into the room.

“You have come at an opportune moment;’ I said to them. “I was just about to give your associate a letter of reprimand, which he says he is happy to receive. I am very pleased at his attitude.” I told them that I

would like to read the letter to them so they could be witnesses to it.

After reading the letter, I told them that I thought they were all lucky to have someone to tell them off. “If I made such a mistake,” I said, “there is no one who would say anything right to me, but you can bet there would be a lot of criticism behind my back. And it doesn’t help at all. I would go on making the same error. It is good that you have me and others to point out your mistakes and tell you to shape up. Once you are promoted to top positions, no one is going to protest, no matter what you do. That is why you should consider this a priceless opportunity.”

My approach in this case was probably not altogether orthodox, to say the least, and I know it would not necessarily work in another situation. But the person in question took me seriously, and later he became an outstanding manager.

A person makes a position; if he is incompetent, his position will suffer, and if he is competent, the prestige and authority of his position will grow.

Everyone Is an Asset

High caliber skills in executing a job and working with others are in great demand today, but they are hard to find in the same person. In every corporation, top management is constantly trying to raise the quality of their personnel through recruitment and training programs, but it takes a great deal of perseverance as well as wisdom and resourcefulness on the part of the manager to improve the caliber of his staff.

How do we go about educating our employees, and what can managers do to help each worker grow? There are as many answers to these age-old questions as there are managers, but for me, one method seems to have worked over the years quite well. Basically, that is to deliberately seek out the positive qualities in each person, and never try to find

fault with him. This has been easy for me, partly because of my own propensity to notice the merits in people before I see their demerits, and partly because I have more peace of mind if I approach people that way.

If I tended to see only the negative side of an employee, I could never assign him to a responsible job without feeling qualms. I would be constantly worried about him making some very damaging error. To be so preoccupied would affect my performance as manager; I would not be able to concentrate on the more important policy matters of the company.

I would say that a manager ought to give at least seventy percent of his attention to the positive qualities of his subordinates; thirty percent is enough for those points that need improvement or changing.

What is worse is when a manager's lack of trust and confidence in the workers inhibits him from any bold moves or radical measures. If he does not dare to act boldly when circumstances demand it, his company as a whole is going to suffer.

All said and done, however, I must confess that at times I overestimate people, putting them into positions they are not ready for. But I would rather overrate the abilities of my employees than underestimate them. It often turns out that if you put a person in a post and give him your full confidence, he does his best to live up to your expectations. Whether the person is appointed department manager or director of a subsidiary, he usually "grows into the job;" gaining abilities commensurate with his new responsibility.

A person makes a position; if he is incompetent, his position will suffer, and if he is competent, the prestige and authority of his position will grow. Despite all the talk about the "level of incompetence;" I believe

that most people are perfectly capable of learning to do the job they are assigned to, and doing it well.

But they must work harder than ever before. Their supervisor must constantly encourage them, helping them to overcome their shortcomings and weaknesses. I would say that a manager ought to give at least seventy percent of his attention to the positive qualities of his subordinates; thirty percent is enough for those points that need improvement or changing. Employees, for their part, should try to see the strong points in their managers as much as possible. Positive attitudes on both sides will augment the productivity of the team, and contribute to the personal growth of all concerned.

But corporate management requires a little more than conviction and consistent attitudes. It needs what I call a sense of purpose.

For Bread and Values

I know the analogy probably sounds outrageous, but I wonder if there is not a certain parallel between childrearing and employee education. I am talking about the crucial importance in both of conviction. If we want to bring up our children properly, we need to have clear ideas of the basic goals in a life of integrity and humanity, and how to be a good member of the family and community. Everyone has a different world view and outlook on life; one is not necessarily right and the others wrong. The important thing, whatever our outlook, is never to vacillate in our attitudes toward the basic issues. When parents have firm convictions, they will be consistent in what they say and do and in the way they treat their children. That approach will have only a positive influence, and will be of great help in guiding them in the right direction as they grow up.

People in top management also need firm, well-formed views on

society, business, and life if they are to exert a solid influence on those under their supervision. When senior executives are consistent in their thinking and behavior, their subordinates will trust them and follow their examples with a sense of security. But corporate management requires a little more than conviction and consistent attitudes. It needs what I call a sense of purpose.

Every company, no matter how small, ought to have clearcut goals apart from the pursuit of profit, purposes that justify its existence among us. To me, such goals are an avocation, a secular mission to the world. If the chief executive officer has this sense of mission, he can tell his employees what it is that the company seeks to accomplish, and explain its *raison d'être* and ideals. And if his employees understand that they are not working for bread alone, they will be motivated to work harder together toward the realization of their common goals. In the process, they will learn a great deal more than if their objectives were limited to pay scales. They will begin to grow as people, as citizens, and as businessmen.

One can gain the required knowledge and experience over the years simply working with a company, even if its management has no sense of mission to share with the employees. But knowledge and experience alone will not help one develop into a person of wisdom, with maturity and depth to his personality. What he needs is a philosophy that gives a frame to his thoughts and guides his behavior. Top management can assist in the employee's personal growth by spelling out the company's philosophy.

If employees understand that they are not working for bread alone, they will be motivated to work harder together toward realization of their common goals.

On-the-Job Experience

Each spring, young people fresh out of college join our company; they all undergo a period of orientation and training at factories or sales outlets. When the company was still small, there was no need for this kind of program, because on-the-job training alone was enough to give the employee an overall perspective of our operations. Even white-collar workers were closely involved in day-to-day production and sales activities. Engineers responsible for research and development and those engaged in design work actually tightened screws and assembled parts on the shop floor in the course of their daily routine. Men in charge of marketing and sales planning were in direct contact with the dealers. They were aware of exactly what was going on in the front line of the market.

*What he needs is a philosophy that gives
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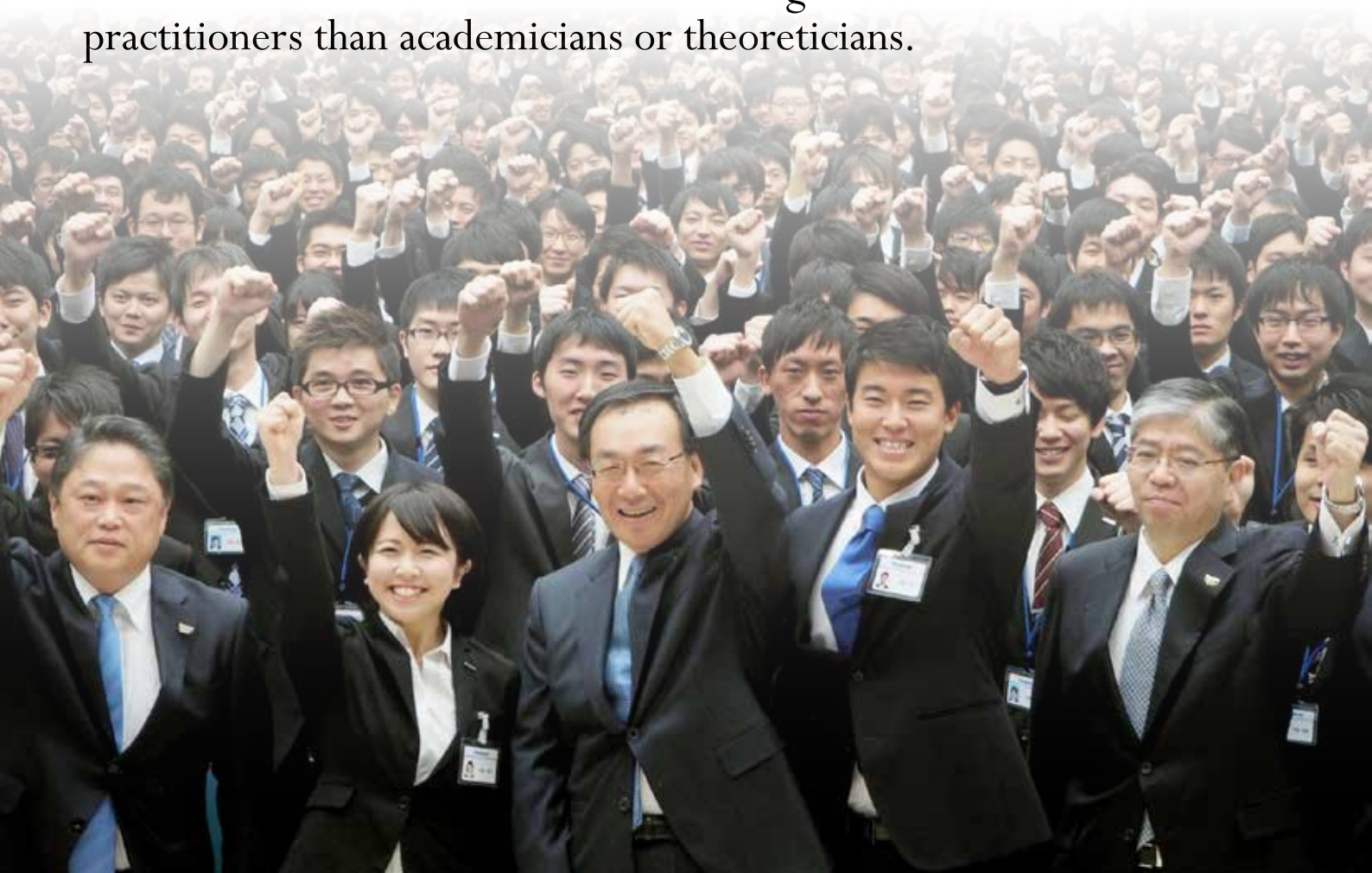
As the company grew larger, however, work became more specialized and more compartmentalized. On-the-job training in the area of one's specialty is still useful and necessary, but it can no longer prepare the employee adequately for a long career with the firm. That is why we try to send all our new employees to factories and sales outlets for broad, practical experience before assigning them to a particular slot in the corporate apparatus.

In a way, a businessman is like a practicing physician; he must have broad "clinical" knowledge and experience, in addition to theoretical knowledge in his special field. No matter how conversant with medical theory, a doctor cannot treat a patient with confidence or conscience unless he also has a certain amount of clinical practice behind him. Likewise, a business school graduate cannot be called a businessman until he gains some practical experience.

Suppose a man who never actually has been a salesman becomes a sales manager. He sits down at his desk and tries to draw up a marketing plan. He may be bright and competent, but his plan will be based on ideas and second-hand knowledge. Chances are that it will be of little practical use and will ultimately fail. If, on the other hand, the sales manager has undergone two or three years of apprenticeship at a retail store or a wholesale company and has mastered the basics of sales that way, any plan he conceives later will reflect his first-hand knowledge of the business.

Similarly, college-educated engineers with no production-line experience would have difficulty designing or developing a good product with a high degree of manufacturing feasibility. A few years of workshop experience at a young age gives them a clear notion of how their designs and ideas are incorporated into the finished products. That knowledge can only have a positive influence on their research and development work.

A period of apprenticeship for young college-educated workers is just one of many approaches to personnel training. What is most important to remember is that businessmen and engineers are more like clinical practitioners than academicians or theoreticians.



CIB 2018 Events

Preparation and Planning

A known personality once commented on the benefits of collective efforts. She said, “My brothers and I early on said to one another that, as a collective, we could do far more than any of us could do individually.”

The small CIB planning team that has been meeting consistently each month to prepare and plan for the events that Caux Initiatives for Business has lined up in February 2018 could in several ways identify with the above comment. The last meeting that the team had in Mumbai on March 28, 2017 witnessed freshness in thinking; while continuing to build solidly on the foundation it had been laying in past months.

Identifying important issues in business globally requiring urgent,

Identifying important issues in business globally requiring urgent, collective attention is not the easiest of tasks.

collective attention is not the easiest of tasks. For a number of weeks, the small planning team responsible for CIB 2018 kept deliberating on themes and sub-themes that CEO’s from business and industry need to discuss at the 2018 conclave so as to identify solutions. This meeting at the ABACA conference room in Mumbai zeroed in on what was felt CEO’s would be drawn to discuss.

Run-up meetings and workshops for representatives from business and industry were also considered with the intention to create a build-up to the CIB conference in February 2018. One such workshop

for businesspersons to interact with an internationally acclaimed businesswoman, author and TED speaker was decided on and is now being planned on June 6, 2017 at Mumbai.

While thanking Suresh Vazirani, CMD, Transasia Bio-Medicals Ltd.; Vivek Asrani, MD, Kaymo Fastener Co. (both from Mumbai); Luis Gomes, Trustee, Friends of Moral Re-Armament (India) and Secretary-General, CIB Secretariat (from Goa); and Charles Fernandes, Member, CIB Secretariat (from Panchgani); Sarosh Ghandy, Chairman, CIB who himself had come all the way from Bengaluru, thanked Vivek and his wife, Rashida for hosting the meeting at their Indo-Italian Furniture Showroom in Mahalaxmi, Mumbai.

