

# Session of Humanistic Management

**14:00-14:30 Presentation by Naoki Kuriyama**

**14:30 to 15:30 Assisted discussion with Teaching Assistants**

Break out session with 7 teams with 7 Teaching assistants.

**14:30 to 15:00** understanding of respecting human dignity and list some examples of humanistic management with reference to negative liberty and positive liberty.

**15:00 to 15:30** Feed back from each group by the TAs.

# Humanistic Management Network

- Humanism in Business (2009, Cambridge)
  - Kuriyama sent an email to the authors.
  - 2010, January, Reply from Dr. Kimakow
  - He quitted the job at City in London.  
He went to study the business and ethics in St. Gallen in Switzerland.
  - He gave us a series of lecture in Geneva (2010,2012)
  - Humanistic Management in Practice (2011)
  - He was invited to Soka university as a guest professor for a lecture of the course of humanistic management in 2016.
- <http://humanisticmanagement.network/event/lecture-on-key-drivers-in-humanistic-management/>



# What is humanistic management?

---

Three – stepped approach to humanistic management



# What is humanistic management?

---

## Three – stepped approach to humanistic management

1

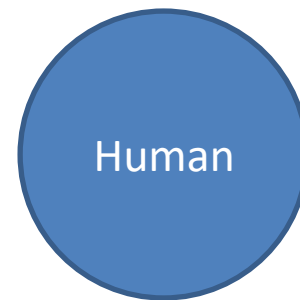
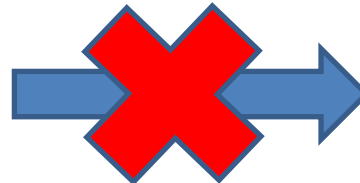
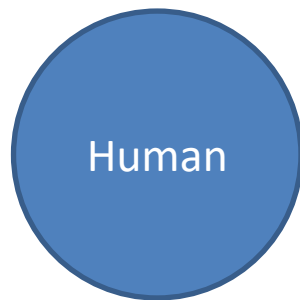
Unconditional respect towards human dignity

- We rightfully expect our dignity respected under all circumstances, also in business environments
- Managerial tasks are frequently defined in ways that view **people as instruments (human resources / human capital) rather than human beings**
- Humanistic management embraces each person as an end in itself, as having **intrinsic** value
- Humanistic management lays a foundation for the alignment of business goals and societal aims by **respecting each person as an end in itself**

- ‘every human must always be seen as an end in itself, and never as a mere means’ (Kant)

never as a mere means

an end in itself



Mere Means  
Exchangeable price  
Exploit = No human rights

Ultimate End  
indispensable  
Dignity = Human rights

# What is human dignity ?

- Human being can not be valued in price.  
(Kant)
- 'every human must always be seen as an end in itself, and never as a mere means'
- Human is entitled not to be forced by the others. Human has right to choose how to act in their life and work.

# Negative liberty and Positive liberty by Kant

- **Negative liberty**
- To be not forced to do anything, the right to choose, and act. Human rights.
- **Positive liberty** Respecting the personality to release the potential capability each individual.
- Flexible working hours, choice of working environment, various paid leaves, and disconnecting etc.

# Two fields of Respecting Human Dignity



**Compliance of  
fundamental labour  
standards**

**Innovative and  
Creative working  
environment**



A case of Humanistic leader;  
**Mr. Konosuke Matsushita**  
met the founder of Soka University (D. Ikeda) 34 times.



# Big Sympathy with respecting Humanity among managers and workers



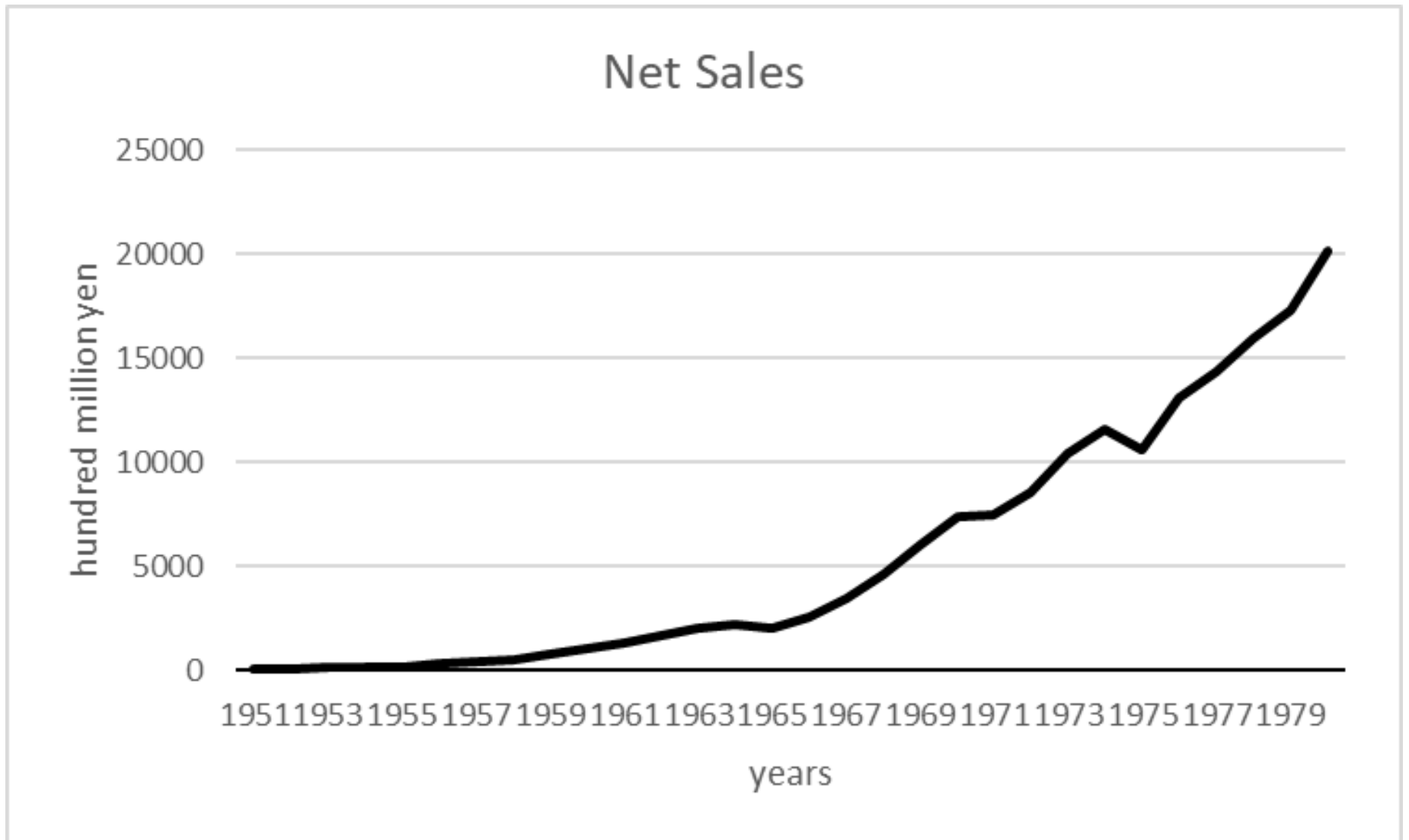
(1894 to 1989)

- Respect of humanity fitted with the value of Japanese social partners after the world war II .
- Konosuke Matsushita, the founder of Panasonic; the most respectful manager in Japan said that “the company is the place for realizing employees’ humanity and growth.”

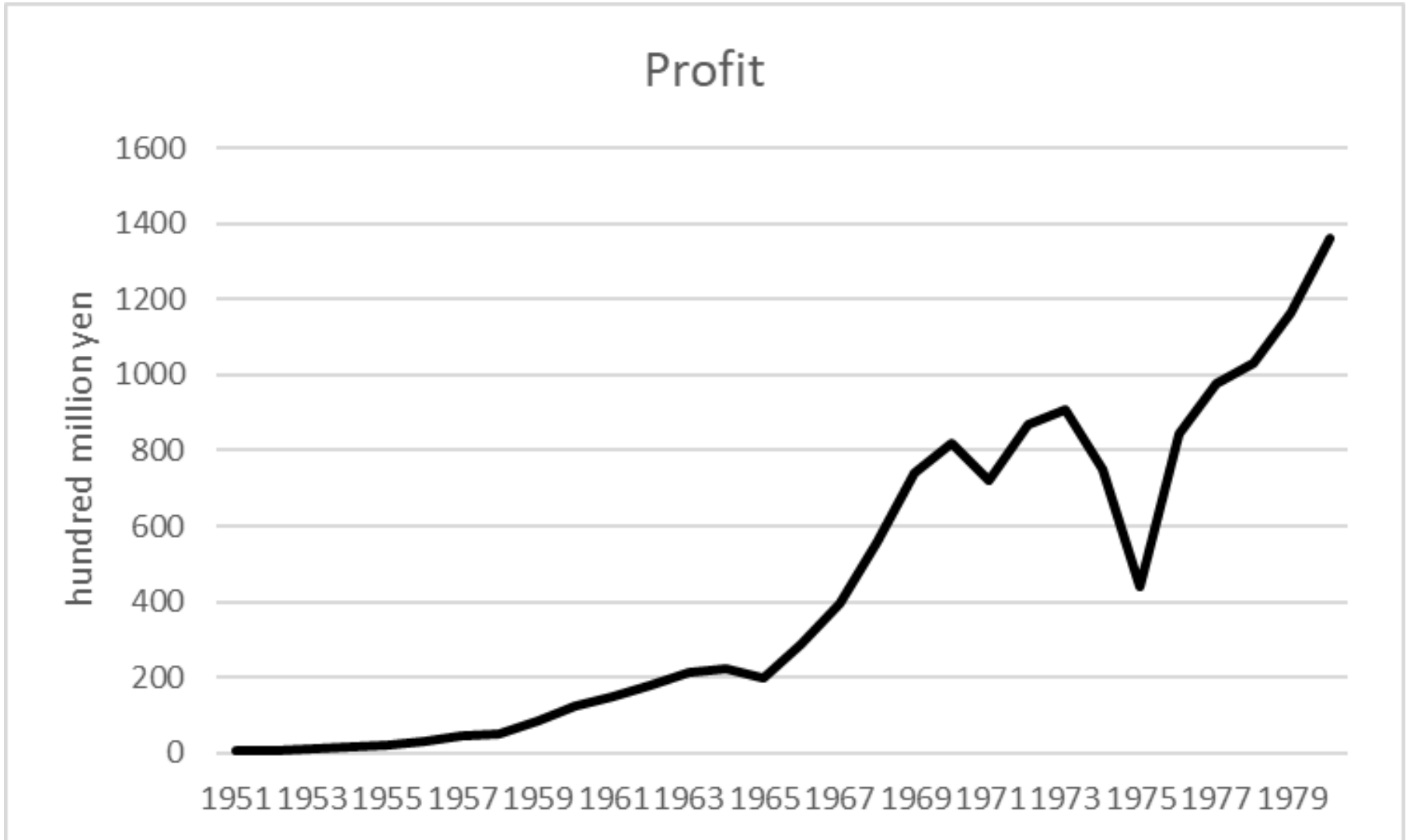
Today

Matsushita Memorial Library reopened in the 3<sup>rd</sup> of December 2013 in front of Kyoto station.

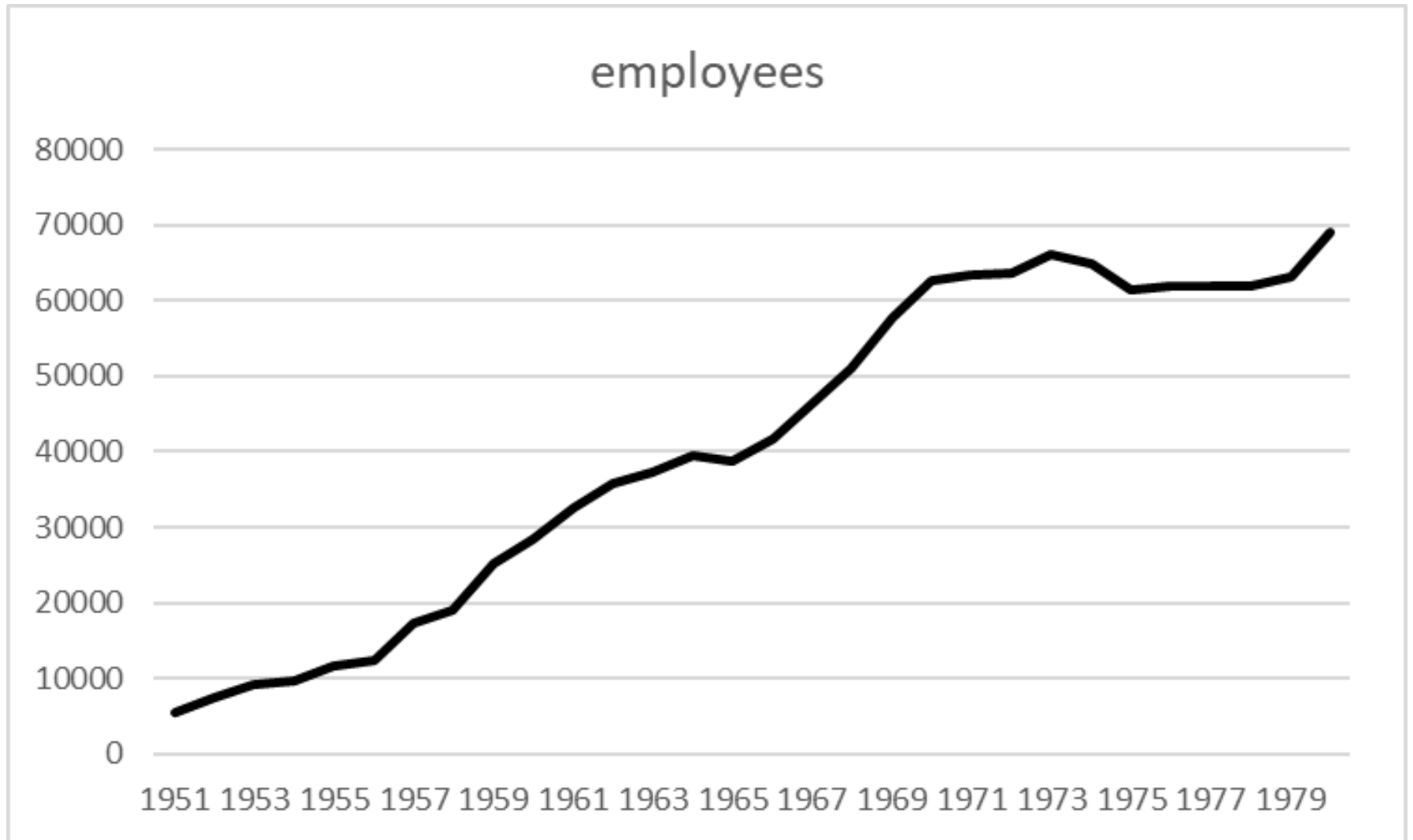
# Net Sales Chart of Matsushita from 1951 to 1980



# Profit Chart of Matsushita from 1951 to 1980



# Employment growth of Matsushita from 1951 to 1980



# Mission of industrialists; Water-supply philosophy

## PHP; Peace and Happiness through Prosperity

- He insisted that the mission of an industrialist is **poverty alleviation**.
- A business can alleviate poverty by producing goods abundantly and supplying them at very reasonable prices like water to the poor.
- The supply of cheap and quality products comprise the prime focus of a 'cost leadership strategy', and they are manufactured using economies of scale and process innovation within the relational network of employees, suppliers, and retailers.

# Matsushita and Human dignity

- Matsushita promoted **employee autonomy** to break the restraints of corporate governance. He promoted **better working conditions** and autonomous decision making by division of power delegation and responsibility.
- Matsushita believed in the **unlimited potentials** of human beings. He tried to release human potential through intrinsic motivation, and he trusted the **creative and innovative nature** that resulted from such motivation.

# Human potential is limitless

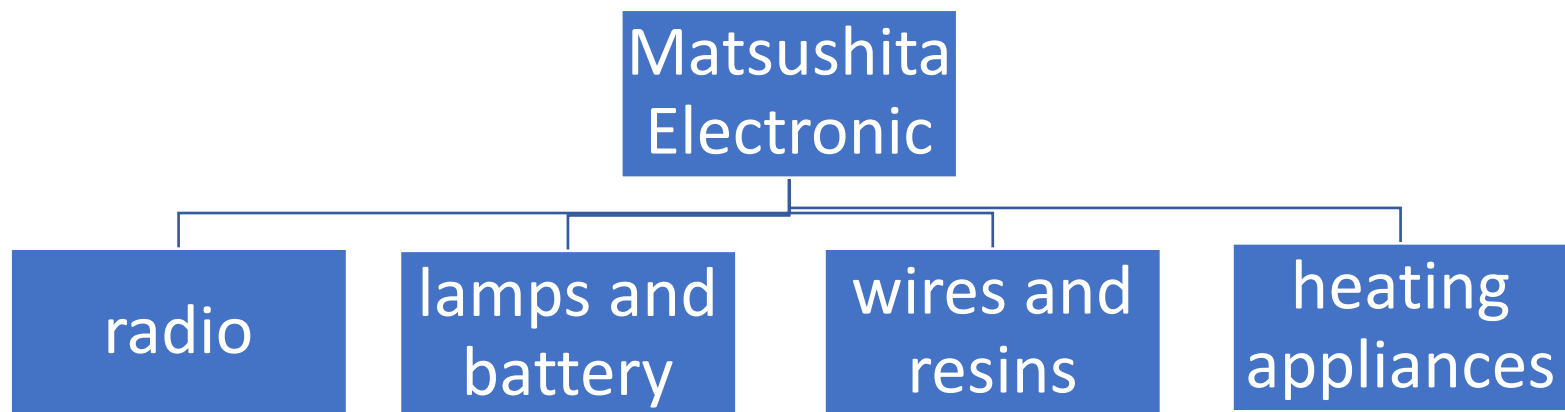
- (Human beings) are endowed with **limitless potential for growth**....Training and educating people is important precisely because of the immense human potential to be tapped.
- It is of vital importance to place individuals in the right situation and in the right position to allow their abilities to come into **full play**.

PHP Institute, *The Heart of Management: Konosuke Matsushita's Enduring Insights*, originally published in 1994, Paperback ,Second Printing in 2018, p.170.



# Empowerment through the division system

- The four major product groups comprising radio, lamps and battery, wires and resins, and heating appliances were established in 1933.
- two goals of the division system: delegation of authority and responsibility to smaller business units, and employee self-development.



# Employing people is a public responsibility

- ...you should be aware that employing people is not private but public endeavor, and that those you employ are not working for your personal benefit, but are, rather, collaborating with you in work for betterment of society.
- .....your enterprise is an instrument of public welfare and the **employing people is a public matter**.....

PHP Institute, *The Heart of Management: Konosuke Matsushita's Enduring Insights*, originally published in 1994, Paperback ,Second Printing in 2018, p.171.

# Unemployment rate (Jan.2021)

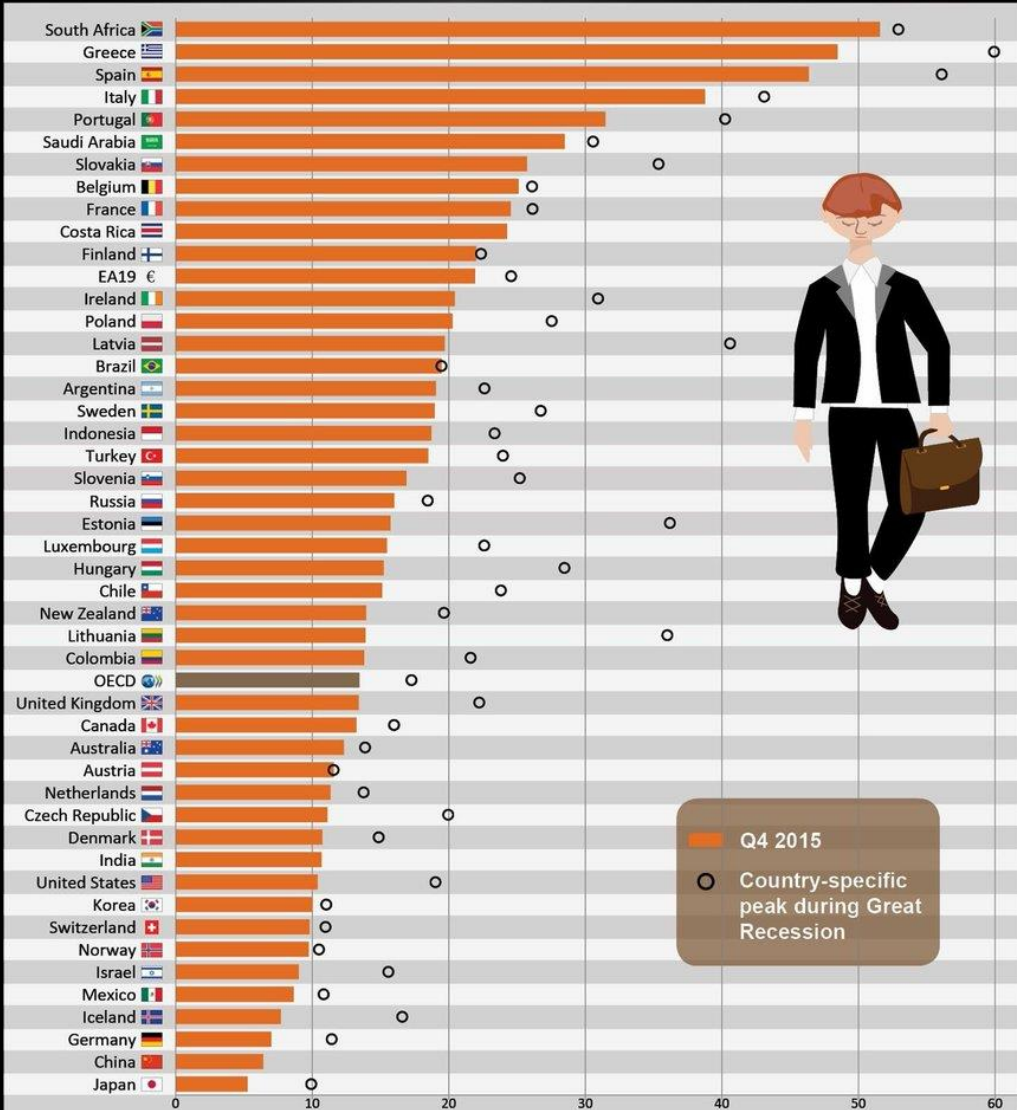
The value of employment in Japan

	%
France	7.9
Sweden	8.9
U.S.	6.3
Germany	4.6
Japan	2.9
South Korea	5.4
Canada	9.4

# Youth unemployment

As percentage of youth labour force (aged 15-24)

Source: OECD



2015

Spain  
Italy

France

Indonesia

OECD  
average

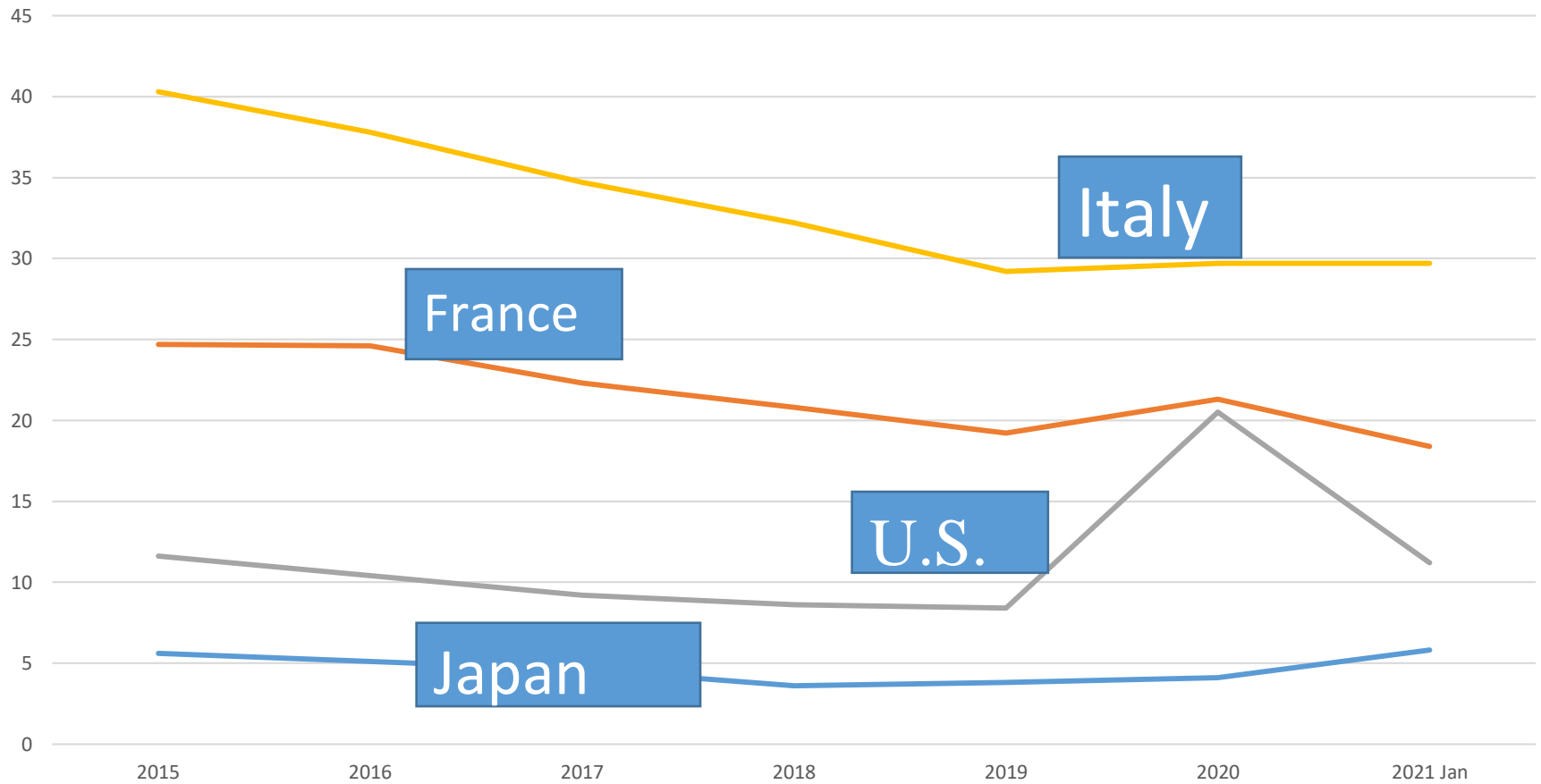
India  
US

Japan is the  
lowest.

Illustration: Shutterstock

Source: OECD calculations based on the OECD Short-Term Labour Market Statistics Database and national labour force surveys.

# Youth unemployment rate (% , Age 15 – 25)



— Japan — France — U.S. — Italy

# Pioneering advanced working conditions

- Matsushita implemented 5 working days and 40 hours a week in 1965.
- Subsequently, the personnel department propagated the 'Own your home at the age of 35' campaign in the same year.
- Matsushita published a proposition titled 'New Perspectives on Humans' in 1972. He emphasized on the supreme human nature and its inherent need for mutual respect.

# Building constructive labour-management relations at Panasonic

- The monthly management consultation meeting comprising the top management and labour union has been held since July 1946.
- He called the principle of labour-management relations is 'confrontation and harmony'



# What is humanistic management?

---

## Three – stepped approach to humanistic management

### 2

Integration  
of ethical  
reflection in  
managerial  
decision  
making

- We need to move from corrective to integrative business ethics
- Too often can we observe business as usual and only if and when misconduct causes costly public outcry will corrective action be taken
- Humanistic management demands the integration of ethical reflection into managerial decision making
- Integrating ethical considerations in management decisions leads to building fundamentally sustainable businesses from the core



# Matsushita and Ethical Decision

- Matsushita was open-minded and listened to others carefully.
- He was a very humble decision-maker and trusted 'collective wisdom'. Badaracco (2002) suggested that 'many big problems can only be resolved by a long series of small efforts'. The 'quiet leaders' make ethical decisions instantly and thereby enact changes through small efforts at workplaces with virtues of restraint, modesty, and tenacity (Badaracco, 2009. p.387).

# What is humanistic management?

---

## Three – stepped approach to humanistic management

3

Seeking  
legitimacy  
through  
stakeholder  
engage-  
ment

- Stakeholder engagements often disappoint all parties involved
- Stakeholder claims are not recognized as having intrinsic value but are seen as instrumental to business aims that are unrelated to the actual claim
- In humanistic management stakeholders have a right to be heard and their concerns are genuinely taken serious and viewed as having intrinsic value
- In successful stakeholder engagements the power of the better argument supersedes factual power

# Matsushita and Dialogue

- he extended dialogic engagement with stakeholders. In particular, he was heavily engaged in dialogue with workers, labour union, retailers, and suppliers.
- These relationships were not interdependent. Occasionally, they were in serious conflict with each other, but Matsushita treated them as equal partners.
- He sent several illustrative messages in calligraphy to various stakeholders, which symbolized 'coexistence and mutual prosperity'

# Mutual prosperity with Retailers

- He expanded the external sales networks by partnering with small shops and retailers.
- Matsushita provided support in various forms, such as shop reform, electrical signboard, and bonuses to shops that agreed exclusive sales to Matsushita.
- Matsushita's idea of mutual prosperity materialized as a policy for sales agents.
- 'Kyozon-Kyoei' (coexistence and mutual prosperity)

Matsushita invited 200 shop owners to a hotel in Atami in 1964. He apologized for the fall of sales because of the lack of care by the head office. A big empathy of mutual prosperity was spread among the participants.



# Mutual prosperity with Suppliers

- Matsushita established a suppliers' association in 1970; the association comprised of around 6000 suppliers. These suppliers heavily depended on the production orders from Matsushita Electronic.
- This association aimed at upgrading production capacity, developing human resources, and sharing information and welfare benefits.

Suppliers visited the other suppliers to learn upgrading their production.



# A Japanese approach of stakeholder engagement

- the bottom-up joint efforts, communications.
- ‘By identifying effective and efficient response measures, both parties can enjoy the advantage of reductions in the cost of compliance and auditing costs’ (The Commentary of the **Tokyo 2020 Olympic and Paralympic Games Sustainability Sourcing Code**).
- The process of engagement, empowerment, communication, and dialogue.



Enabling  
Approach

# Responsible management in supply chains and Matsushita

- In the process of enforcement, engagement, and empowerment, communication and dialogue with suppliers are important for creating a desirable situation to execute ethical sourcing.
- A long-term commitment to the supply chain having a fostering function to local suppliers. This approach is represented by the philosophy of Matsushita's **Kyozon-Kyoei (Co-existence and Co-prosperity)**.



# What is humanistic management?

---

Three – stepped approach to humanistic management





# Session of Humanistic Management

**14:00-14:30 Presentation by Naoki Kuriyama**

**14:30 to 15:30 Assisted discussion with Teaching Assistants**

Break out session with 7 teams with 7 Teaching assistants.

14:30 to 15:00 understanding of **respecting human** dignity and list some examples of humanistic management with reference to **negative liberty and positive liberty**.

15:00 to 15:30 Feed back from each group by the TAs.