

Bookshelf

Pana-Management

By Morimasa Ogawa
Published by PHP Institute, Inc.
1991, Tokyo
203 pages; \$23.00

Originally written in Japanese and published under the title, *Jissen Keieigaku* (Responsible Management), this book was clearly intended initially for a Japanese readership. Since the book has sold well in Japanese, and since Ogawa's main points strike a non-Japanese reader as belonging quintessentially to the Japanese philosophy of management, it must mean that there are still many people in Japan who do not yet accept the book's basic message that "management is everybody's responsibility."

This is interesting: if Japan can do so well with some employees still unable or unwilling to accept responsibility, how well will Japanese companies do when even more Japanese employees begin to accept responsibility?

In any case, within that simple slogan, the book covers a great deal of ground. There are chapters on corporate philosophy, "departmental management" (or, as people in the West would call it, "strategic business units"), organizational health, information management, leadership and corporate planning. On each of these areas, Ogawa has some predictable and some thought-provoking things to say.

In fact, in an un-Japanese way, he does not hesitate to offer material which might even be controversial: he chooses as an example of moral integrity and strength the faith of Japanese Christians in the three centuries of Japanese isolation from the rest of the world, when Christianity was banned. "For a Christian who was discovered and failed to renounce the faith, the likely fate was death by crucifixion. Yet many continued to worship in secret. For three centuries, the hidden Christians clung to their faith, despite suppression and the ever-present threat of death. They were sustained by their faith in the teachings of Christ and by their own moral fiber."

Clearly, Ogawa is no mere conformist.

Clearly, he is someone who likes to think for himself and state his views clearly and vigorously. What prevents the book from becoming strident is Ogawa's thoughtfulness and his willingness to share his own mistakes as well as the incidents through which he learned to do better.

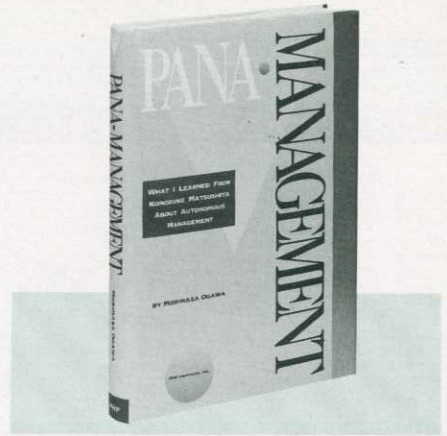
The book's publication in English must be intended to widen the circle of people to whom its ideas are to be introduced, so one question worth asking is: will the book teach anything to non-Japanese readers? Well, a flippant answer would be that the book is subtitled, "What I learned from Konosuke Matsushita about autonomous management": and since Matsushita developed his company from an initial five employees in 1931 into one of the largest corporations in the world, there must be much to be learned from this book.

Ogawa shares not just what he learned directly from Matsushita but also indirectly as a result of Matsushita's approach and philosophy, and his influence is felt throughout this book. The direct glimpses of Matsushita are few but memorable. Take the incident when Matsushita visited the new Microwave Oven Department a year or two after Ogawa had been put in charge of it.

"The factory and merchandise look great," Matsushita said, "How are operations?" Ogawa replied, "Sales have been dropping because of the oil crisis and we are running at a loss of about ¥9 billion." "What?!" exploded Matsushita, "You've got sales of ¥100 billion and you are ¥9 billion in the red! Responsibility for this mess lies with you and with Head Office for letting this go on."

Matsushita then asked Ogawa to put together a rescue package for the company in five days, by utilizing the wisdom of the 4,000 employees of the department. This he did with Matsushita's help. "The ideas that people came up with far exceeded my expectations," says Ogawa, "and when I retired some years later the company was in good shape."

Different readers will appreciate different sections of this wide-ranging book. Because of the current vogue for creating "strategic business units" in the West, let me commend Ogawa for distinguishing



between what he calls a "budget control system" in which budgets constrain departmental actions, and "departmental management" in which focus on profit and the rate of profit enable a whole spectrum of options to be considered. What makes apparently academic points such as this both palatable and practical is the concrete examples Ogawa gives from his experience.

From a Western point of view, the least rewarding chapter is the one on Corporate Planning, in which the reader is introduced to some basic concepts such as the Boston Consulting Group's Product Portfolio Management Matrix. Even here, however, there are specific touches based on Ogawa's experience which make it worth reading, for example, the use of differently colored circles around the plot points to indicate changes in the company's competitive position in various years, with the size of the circle varying according to the quantity of sales.

One word, however, to the book's publishers. To have such a rich book without an index is like going into a restaurant which has no menu.

Like a Japanese banquet, not everything here will be to the Western reader's taste. For example, bits of the book may strike them as banal, repetitious and poorly structured. But the book is rich in specific delights, there is much that it leaves you to mix and match for yourself, and the result is a feast which is both nutritious and wholesome.

If Western readers wish to avoid mere theories about Japanese management, and wish instead to learn practical lessons from Japanese management which they can apply in their own organizations, they can hardly do better than to turn to *Pana-Management*.

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