

# Managing a Division Requires Truly Autonomous Responsible Management

-Morimasa Ogawa on Prerequisites for Division Managers

During his 16 years as head of the Microwave Oven Division, beginning in 1963, Morimasa Ogawa grew the business on a global scale from annual sales of 30 million yen to sales of 50 billion yen. In 1982, he became president of Matsushita Housing Products Co., Ltd. (today's Appliances Company).



With Microwave Oven Director, Morimasa Ogawa at microwave oven factory (1976)

After stepping down as president, Ogawa became chairman of Konan University, helping to guide its management through a period of difficulty. The following are excerpts from a May 1994 talk, titled "Thoughts on Matsushita Management," that he delivered to the division heads at the Education and Training Center (today's Human Resources Development Company) in Hirakata.

## The Division System Drives Growth

The division system is the foundation of Konosuke Matsushita's management strategy. It has been the driver of Matsushita's growth, and if the company is to grow and flourish in the future, I believe it will be because of the division system.

## Divisions Formulate Their Own Strategies

required. So what then should be done? Though Toyota Motor is a huge company, twice the size of Matsushita Electric, basically all they sell is a single product automobiles. As such, as long as senior management lays out a solid strategy, Toyota is basically viable. But Matsushita Electric is a gathering of specialized single product category divisions. Each division must formulate strategies that are appropriate to its business.

You must therefore hold fast to Konosuke's management philosophy while cultivating broad-based, objective wisdom that is open and sensitive to the trends of the era.

Each division manager must formulate his own strategy. Tactics will then be developed based upon that strategy. Your department and section managers

will implement those tactics. The sum total of the results will then determine Matsushita Electric's business performance. Strategies are the vehicle for translating the efforts of your frontline managers into business success.

As a division head, you are a manager. If you are not thinking about where your division will be five to ten years from now, and formulating strategies to get there, you are a bureaucrat, not a manager.

Since each division at Matsushita Electric is engaged in a different business, if the division heads are not managers, Matsushita Electric is operating without management. Of course, the executives at the head office who are senior to you are also managers, but their responsibilities as managers and strategists are different from yours.



Microwave cooking party in retail shop (1970s)

Konosuke Matsushita was a master of management, but my guess is that he was able to actually make and sell things himself and handle the company's finances only for the first ten years or so of the company's history. After that, I think he concluded that the company would not grow further unless he delegated those tasks to others. His solution was the division system.

Still, simply adopting the division system is no guarantee of growth. It goes without saying that without competent managers, the system will have form without substance.

I hope you all will manage your divisions with a sense of responsibility for where the division should be ten years from now.

### **Konosuke's "Autonomous Responsible Management" Means Delegation of Responsibility**

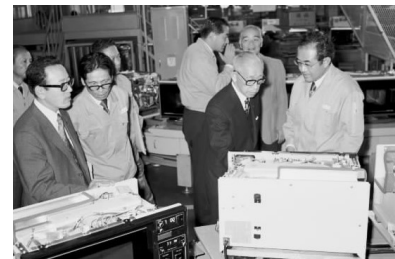
Each division is an independent company, and each division head is a company president. A capacity to formulate strategy and a firm commitment to autonomous responsible management are essential requirements for today's company presidents.

I think many people assume that autonomous responsible management means that a manager should take responsibility for everything, but no manager could possibly do that. The responsibility that a top manager assumes is the final responsibility.

Konosuke Matsushita's autonomous responsible management is management by delegation. It is the complete opposite of one-man management. Once goals and objectives have been confirmed and shared, the manager gives his subordinates as much discretion as possible. The people to whom the manager delegates naturally regard the responsibility as their own, and this motivates them to succeed.

At the same time, the manager's responsibility is not reduced once he delegates to others. From the moment he delegates, he takes on a higher responsibility, which is to see that his subordinates achieve success. Both the manager and those to whom he delegates discover a new dimension of responsibility, and in exploring ways to fulfill it, they grow personally. An enterprise that has thoroughly incorporated this approach is practicing autonomous responsible management as the founder intended.

If a division manager is involved in details, if he wants everyone to line up behind him and march in single file (although this is occasionally necessary), he will not be able to grasp the big picture. For a division manager to formulate strategy and take major decisions, he must maintain an objective, high-altitude view of his business. Only then can he provide appropriate advice and needed assistance to subordinates fighting on the front line.



Touring microwave oven factory guided by Morimasa Ogawa, Director Microwave Division (1976)

This is why each of you must thoroughly study and master Konosuke Matsushita's autonomous responsible management.

## **Do You Love to Manage?**

When I was selected to head the Microwave Oven Division, Konosuke Matsushita called me in to give me my assignment personally.

"A division head is a manager," he told me. "I'm counting on you." Then he asked me how I felt on receiving my assignment. I replied, "I feel the weight of this new level of responsibility. I will devote myself wholeheartedly to the job." His response? "That won't do. Even a new employee feels responsibility. A division head is a manager. The sense of responsibility goes with the job. What I want to know is, do you love to manage?"

Standing there before the god of management, I felt it would be ridiculous to say

that I “loved” to manage. Instead I said, “I’ll do my very best.”

“Management is sometimes terribly difficult,” he replied. “If you blunder, tens or hundreds of people could lose their livelihoods. That would be terrible. Yet things never go smoothly all the time. At some point—at least once—you will find yourself in a terrible bind. If that happens, you’ll only make things worse if you simply act out of a sense of responsibility.”

He went on, “I see that your compensation as a division manager is quite substantial. But if your work makes you ill, a raise is no compensation. If you manage because you love it, your work won’t drive you to neurosis or take its toll on your health. That’s why you have to love it.”

Still, I found it difficult to say that I “loved” to manage. But the founder was holding my letter of appointment, and since I couldn’t leave without it, he finally got me to say that I loved to manage.

When Konosuke Matsushita was very serious about something, he didn’t blink. He would look at you with those wide and narrow eyes, like an actor’s eyes, and he would take you in completely. “All right then,” he said, when I finally admitted that I loved to manage. “You can have your letter. But don’t be just a dabbler!” And with that, he sent me off.

If your strategy is sound, you can always recover from tactical blunders. But if it is not, then the work and efforts of a huge number of people will be wasted. You must show your employees a bright future for your division. If your strategy is sound and you delegate well, your people will achieve success. Creating a stage for them to achieve this success is your job. I believe this is the mission of anyone appointed to manage a division. Consequently, I think Konosuke Matsushita was right. To create such a stage, you really do have to love management.

The fate of Matsushita Electric is the sum total of the fates of its divisions. Its business performance is the sum total of your successes.

## **Learn from Konosuke and Bring Joy to Your Management**

Finally, though it is presumptuous of me to do so, I would like to offer a personal perspective on Konosuke Matsushita.

Konosuke Matsushita is said to have been a god of management. I would not

disagree with this view. But I don't believe he was a genius in the conventional sense. At least, I don't think his management contains those flashes of inspiration that we associate with genius. If he had been a genius, we would be unable to learn from him. When an ordinary person attempts to imitate a genius, the effort will end in failure, because geniuses do not gather wisdom from others. Konosuke Matsushita succeeded in continuing to pursue his principles and practice them over a long period of time because he was not a genius. This is why we can study the philosophy behind them and use it to guide our actions.



Touring Matsushita Electric Housing Product(MEHP)'s factory, a head given by Morimasa Ogawa, then Senior Director of MEHP (1980)

I believe that Konosuke Matsushita was history's greatest common man. As such, he is not some exalted being whose achievements we cannot match. If we study his philosophy diligently and make an effort to put it into practice from time to time in our own management, it is as if he is there beside us. In that sense, he is not a god. He is our mentor.

You are quite fortunate to be division managers. You have been given an important challenge, and a priceless opportunity to study the philosophy of Konosuke Matsushita. I urge you to learn from your mentor, bring joy to your management, and take care of your health. I wish you luck.