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Gleanings

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Significance and Purpose Beyond Money

In 1946, Japan was devastated by a war it started, but was not able to finish. As a result of its choices, the judgment on Japan was awesome—carnage, death, and destruction were ubiquitous. In the midst of this, two men, Masaru Ibuka and Akio Morita, formed a new company called the Tokyo Telecommunications Engineering Corporation.

Mr. Ibuka and Mr. Morita had met some years earlier and worked together on weapons programs for the Japanese government. After the war, they joined together for their personal survival and the survival of their colleagues. Food was scarce and the economy was difficult; nevertheless, the two men were determined to build a company.

One of the first items of business was to write a prospectus for the new company. This document began: “The first and primary motive for setting up this company was to create a stable work environment where engineers, who had a deep and profound appreciation for technology, could realize their societal mission and work to their heart's content.” For engineers or technologists to write anything is amazing—for them to write a statement of ideology, especially one that recognizes that work is about passion and fulfilling a societal mission, is astounding.

The prospectus went on to describe more fully the company's mission. The key elements delineated were:

- to create an environment that allows engineers to reach their full potential,
- to rebuild the country and elevate its culture through the use of technology,
- to commercialize technologies developed during the war, and
- to promote the education of science to the general public.

Interestingly, there is no mention in the statement of purpose about money.



Under management policies, the prospectus stressed the importance of fairness and mutually beneficial relationships with customers and vendors. Technology challenges were to be embraced and growth driven by substance. Employees were to be selected and commissioned based on calling, character, and capability. (This is the C4 hiring principle taught in my seminars.) Surplus earnings were to be distributed to the employees. Plus, the company was to help employees secure a stable life. In return, employees were to exert their utmost effort in their work.

Did this idealistic philosophy of business purpose and management work? Yes, it worked exceedingly well. The company grew and expanded rapidly while developing an excellent reputation for quality and innovation. In December of 1958, it was listed on the Tokyo Stock Exchange under the symbol TSE. In January of the same year, the company changed its name to the Sony Corporation.

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