

---

## NEMOTO'S TEN PRINCIPLES OF LEADERSHIP

---

### Applications

- Adapting leadership style to the needs of quality-improvement programs.
- Training managers and supervisors.
- Using Japanese management techniques.

### Procedures

Review the principles to see how they apply in your organization, to compare them to your style of management, or to develop directives and training material for your managers and supervisors.

### Cross-Reference

Manufacturing and Operations-managing quality-control or JIT programs.

Masao Nemoto, managing director of Toyota, spearheaded many of the efforts to develop total quality control and JIT production at his company. He found that managers often had personal styles that conflicted with the goals of quality control and made it difficult for quality circles to perform. To counter this he wrote down his principles of management and distributed them to his associates whenever he took a new position. These principles were compiled by a number of managers at Toyota and are now called "The Sayings of Nemoto." Here they appear condensed from an English translation by David Lu.

### INSTRUCTIONS

Use these principles, as Nemoto does, to let your company know what is expected of managers and supervisors when a company pursues quality improvement. Most quality programs, from in-house establishment of quality circles to a statistical process control program by consultants, focus on lower-level employees. This method focuses on upper-level employees. Nemoto's sayings are a useful checklist for managers who want to make sure their leadership and the leadership of their associates furthers the quality improvement program. And most of them can be generalized to other management problems and programs, providing guidance and ideas for good leadership in any context.

### **PRINCIPLES OF LEADERSHIP**

1. *Improvement after improvement.* Managers should look continually for ways to improve the work of their employees. Advance is a gradual, incremental process. They should create all atmosphere conducive to improvements by others.

2. *Coordinate between divisions.* Managers of individual divisions, departments, or subsidiaries must share responsibility. Nemoto offers this advice to his managers:

One of the most important functions of a division manager is to improve coordination between his own division and other divisions. If you cannot handle this task, please go to work for an American company.

A corollary of this is that upper management should not assign important tasks to only one division.

3. *Everyone speaks.* This rule guides supervisors of quality circles at Toyota, ensuring participation and learning by all members. It has also been generalized to all meetings and the annual planning process. By hearing everyone's view, upper management can create realistic plans that have the support of those who must implement them--an essential element in quality programs.

4. *Do not scold.* An alien concept to most managers. At Toyota the policy is for superiors to avoid giving criticism and threatening punitive measures when mistakes are made. This is the only way to ensure that mistakes will be reported immediately and fully so that the root causes (in policies and processes) can be identified and amended. Assigning blame to the reporter clearly discourages reporting of mistakes and makes it

harder to find the underlying cause of a mistake, but it is difficult to train managers to take this approach.

5. ***Make sure others understand your work.*** An emphasis on teaching and presentation skills is important because of the need for collaboration. At Toyota, managers are expected to develop their presentation skills and to teach associates about their work so that collaborations will be fuller and more effective.

6. ***Send the best employees out for rotation.*** Toyota has a rotation policy to train employees. There is a strong tendency for managers to keep their best employees from rotation. But the company benefits most in the long run by training its best employees.

7. ***A command without a deadline is not a command.*** This rule is used to ensure that managers always give a deadline or schedule for work. Employees are instructed to ignore requests that are not accompanied by a deadline. The rationale is that without a deadline, tasks are far less likely to be completed.

8. ***Rehearsal is an ideal occasion for training.*** Managers and supervisors give numerous presentations and reports. In a QC program there are frequent progress reports. Mr. Nemoto encourages managers to focus on the rehearsal of reports and presentations, and to require that they be rehearsed. Rehearsal time is used to teach presentation skills and to explore problems or lack of understanding of the topic. Because it is informal, rehearsal time is better for learning.

9. ***Inspection is a failure unless top management takes action.*** The idea behind this is that management must prescribe specific remedies whenever a problem is observed or reported. Delegating this task (i.e., by saying "shape up" or "do your best to solve this problem") is ineffective. So is failing to take any action once a problem is defined.

10. ***Ask subordinates, "What can I do for you?"*** At Toyota this is called "creating an opportunity to be heard at the top." In the first year of a quality-control program, managers hold meetings in which employees brief them about progress. Three rules guide these informal meetings:

1. Do not postpone the meetings or subordinates will think their project is not taken seriously.
2. Listen to the process, not just the results, since QCs focus in on the process.
3. Ask the presenters whether you can do anything for them. If they ask for help,

be sure to act on the request.

This philosophy can be generalized. If top management is perceived as willing to help with problems, employees are more optimistic about tackling the problems and will take management's goals more seriously.

## Reference

Masao Nemoto. Total Quality Control for Management: Strategies and Tactics from Toyota and Toyoda Gosei, ed. and trans. David Lu. Englewood Cliffs, NJ: Prentice Hall, 1987.

*(The Vest-Pocket CEO, Alexander Hiam, Prentice Hall, 1990, pp.55-58)*