

Reduce the number of bad decisions by making use of information on-site

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I am honored to have received requests from multiple C-level executives, so I decide to write an e-mail newsletter on an irregular basis to answer various questions. If you do not need the e-mail newsletter, please let me know by email.

Few days ago, we conducted a seminar on “How to manage organization and human resource development”. At that time, we received some questions on the importance on conducting employee satisfaction survey and the method to utilize survey results. In this e-mail newsletter, I have summarized my answers to these questions.

According to my acquaintance developing Japanese chess software, he analyzed all game records of Japanese chess using AI, and then found that the common thing among the best players, such as Mr. Habu and Mr. Fujii, is that they only made a few bad decisions during the game. Any professional Japanese chess players cannot avoid making bad decisions during one game, but the ratio of bad decisions by Mr. Habu and Mr. Fujii is extremely low. Japanese chess fans might know “Habu magic”, where he makes a comeback victory. However, the secret to maintain a high win rate is not odd hand and exquisite hand in the final stage but low ratio of bad decision.

This is exactly the same for corporate management, and I think the key to excellent management is how to reduce risk. So far, I have provided wide range of support from startups to reforms and corporate revitalization in large corporations, and found out that while companies in momentum and high growth are struggling to solve problems every day with a sense of crisis, slower companies are more relaxed. As a result, growing companies are constantly mitigating risk by addressing new issues, while slower companies are unaware of risk, or by the time they realize it is too late and are more prone to make more failures.

I first became president of a company about ten years ago. I supported the reform of a company's management as an external advisor for about half a year, and after that, I became

president due to a request from a shareholder. At that time, I received many advices from senior managers, and the most memorable one is the advice from the president of a tax accountant corporation. The advice is that "If you want to succeed as a president, the president should clean the company by himself." After immediately practicing, I found that I could sharpen my senses and respond to slight changes in the company. For example, these are changes such as desks of employees whose desks are always tidy gets cluttered, and chairs in a conference room not in their original positions. As a result of continuing this practice, I was able to read needs of the customers from the lines in between customers' emails and to imagine what is happening to the company's management when I go to retail stores. I feel that this is a turning point for me, not only as a manager but also as a consultant. As is often the case with bad consultants, they don't understand what is happening on-site and think they are right. As a result, they are not trusted by their clients or their team members. It is an essential skill for managers and consultants to look at the site and understand the whole picture based on the information on-site.

Since then, I have always pursued how to utilize the information on-site in managing companies. This applies not only in managing my own company, but also in supporting clients' companies. For example, does your company conduct an employee satisfaction survey? Many companies may conduct it, but can companies use the results to make management decision? HR department may check the result and then may reflect it in the HR system and enhance training, but can they change the strategy and improve the business process? In the company that I managed previously, I conducted an employee satisfaction survey every quarter related to strategies, customers, business processes, people/organizations, and based on the results, I decided to focus on areas for improvement. Problems in the organization can be detected early and countermeasures can be taken, so it directly improved employee satisfaction, customer satisfaction, and business performance. I have implemented the same strategy on client companies and made successful management reforms. The point here is that there are many hints on-site, but it will be meaningless if managers cannot get them. While confidential information is accessible only to management, management should notice the amount of information that is not visible for upper management.

We provide custom solutions, including employee satisfaction surveys, to connect information on-site to management. It is not difficult to absorb information on-site by using IT tools. The issue is whether HR will keep such information for themselves or the management will use it to reform whole management and to reduce the bad decisions.

※ I would appreciate for your comments and questions regarding this e-mail newsletter.
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