

# How did Kazuo Inamori business philosophy help the company succeed?

Junao Zhang \*

Malvern College, Qingdao, China

\* Corresponding Author Email: 1520170207@st.usst.edu.cn

**Abstract.** The business philosophy and management idea make Kazuo Inamori's enterprise distinctive. My research will focus on Kazuo Inamori's philosophy system and management system. I will mainly discuss two elements in Inamori's business model. Firstly, it focuses on creating a fast-paced working environment to finally make profit as much as possible. Secondly, the model follows the idea that taking the leaders of each amoeba as the core, improves the overall efficiency of the enterprise by stimulating the initiative of employees. Most importantly, some specific applications that followed Kazuo Inamori's model will be listed. Reviewing previous failed to reference the successful example will make better use of the management pattern. Then, the business philosophy of Kazuo Inamori will be explained from two aspects: respect everything and care for the world.

**Keywords:** Kazuo Inamori; Management; Business.

## 1. Introduction

Amoeba management is not just a business concept, Amoeba itself is a worm with a soft body that can extend its feet in all directions. It is also called "amoeba" because of its changeable body shape. It also has a huge characteristic -- it changes with the outside world and can constantly adjust itself to the living environment it faces, Self-adjustment also corresponds to truth, that is, self-examination, many successful people have the habit of self-examination, it can enable people to solve difficulties by reflecting on their problems, the same is true in enterprises [1]. Amoeba was founded in 1964, Amoeba management divided its employees into small groups, and directly let each small group carry out an independent accounting system. In this way, many active management talents could be cultivated, and the method of all employees' participation in management was greatly realized, Kyocera this company belongs to the entity enterprise, he will have a set of production processes, and the combination of a set of processes and management concept also let a person feel more perfect, because many employees when doing the production always produce waste, but if put all the material and "bundling" the wages of employees, for example, normally a piece of wood can produce ten chopsticks, If I give this group a piece of the same wood, if they waste so much in the production process that they can't produce ten chopsticks, then the profits of this group will be reduced and their wages will also be affected at the final independent settlement.

## 2. The Amoeba Management model

Amoeba Management was founded by Kazuo Inamori when he opened Kyocera. Kyocera Corporation was founded in Kyodo in April 1959 with an initial capital of 3 million yen and only 28 employees. As of 2019, Kyocera's sales are 14.937 billion DOLLARS and its net profit is 949 million dollars. Since its establishment, Kyocera has been profitable for 60 consecutive years. In the initial stage of Kyocera, Yuan company's product development, production, manufacturing, and sales, Its founder Kazuo Inamori is responsible for the management of the company's the number of employees grew to more than 200, and Inamori realized how much he depended on it. To break the small and medium-sized enterprises like "after the pustules as big will break" the magic spell, Inamori Kazuo on a journey to the West Sun Wukong encountered difficulties, and decided to divide the enterprise into Several small groups of independent accounting, namely amoeba, to carry out independent accounting. Kyocera was made and implemented in a way that front-line employees could understand,

similar to a household income book, unit time schedules allow employees to establish a line between performance and their work connected to the sense of association, by making annual and monthly unit time accounting goals, the amoeba can manage their performance [2].

Through the unit time accounting table, the value-added per unit of time can accurately reflect the operating performance of the amoeba effect. Thus, if one amoeba's business goes bad, the amoeba will, can analyze the cause of poor performance by the change of added value per unit time and take timely actions to address them, such as expanding sales or cutting costs and the cost, etc didn't make much profit when the company start, At the very beginning, Kyocera had a very low profit when its products were sold to other companies. For example, at the very beginning, Kyocera provided U-type insulators to Panasonic electronics. Although the profit was low, Panasonic electronics asked for price reductions every year, and Kyocera's profit would be very low over time. When Inamori Kazuo could get orders, he asked the company to continuously reduce costs to maximize profits. When the costs were lower than other companies, the profits could be higher than other companies. In 2000, Kyocera had revenues of \$11.6 billion and profits of \$2 billion, while Mitsubishi had revenues of \$37.3 billion and profits of \$1.1 billion. Can other companies follow amoeba's model?

## 2.1 Fast-paced working environment

Profit can be considered when determining whether a company is truly successful, but profit is not the only factor to consider. Amoeba operations provide a fast-paced working environment, which can assist businesses to increase efficiency.

Many companies now have some staff waste because they have too many employees and can not use all of their time, so some companies use attendance schedules. I believe the amoeba management accounting system will tie employee wages together, greatly improving employee utilization and, of course, increasing efficiency. Employee's normal working hours, overtime hours holidays, overtime hours, vacation hours, injury costs, leave for work, leave for sickness, absenteeism, and the final total working hours. so I think if the Work efficiency increases, the company's profit margin must also be improved, Because it represents the cost of work efficiency down, again big enterprise is made up of people, assuming that each resource to reduce waste, improve work efficiency and attitude, the profit naturally came up, so why people will truly abide by this rule, this is also a feature of the amoeba management because employees get the benefits, After they find that everything they do is linked to their salary, they will be very careful in everything they do, so that everyone can save a share of resources, which will bring the unexpected harvest to the company. This can be understood as the consideration of everyone in the company, which is like a real community of interests. And everyone can see that one person's mistake does not only affect the profits of the company as before but now the profit or loss of the company has an inseparable relationship with us, the success of an enterprise depends not only on profit but also on development because profit does not represent the size of the enterprise, development also is an important point about the enterprise [3].

## 2.2 Taking the leaders of each amoeba as the core

Any company starts from scratch, Kyocera was the first company to operate with amoeba, and Inamori Kazuo's companies have been listed in the world's top 500 since the beginning of its establishment. During this period, he must have experienced many difficulties, such as lack of capital and manpower, which are common problems in normal enterprises, because the development of companies is not as simple as playing games, there are all kinds of troubles and pressures waiting for people in the society. In the enterprise, the composition of the labor force is a very important factor, compared with the resources, and capital, the labor force is the most uncontrollable, after all, people have their ideas and not robots, but once the labor the uncontrollable factors into a controllable factor, for enterprise's development is a very big help, Why the development of enterprises managed by Kazuo Inamori is relatively so smooth? Amoeba's management features contribute to this management mode: "seize the heart", so how to explain this to seize the heart, is not to control, the heart is easier to shake. Kazuo Inamori saw workers need most is what, at the beginning of the

enterprises, workers need most is money, just enter the workplace, an office worker is a lot of places need to use the money. They need money to pay the rent, buy daily necessities, please friends to dinner, but also leave some money for emergency fund, then Kazuo Inamori to workers in the work of all things are linked to their salaries, like waste things, being late for work, how much performance, once the benefits with the company's things have contact with the interests of every employee.

Each employee will be very active in the company's operations, such as after working for some time, many employees would be right, people can have ambition, this time, Kazuo Inamori is decentralization, in each department have many leaders, known as amoebic group leader, the great decisions require Kazuo Inamori to decide, Almost all rights in the amoeba leader's hands, even to the rights of the employee salary in the amoeba group leader, so each team is like a small group, has its own coffers, runs a business, completely meet the needs of the people in power, thus not only human into a controllable factors, the potential, and from time to time will burst into It's infinitely better than a machine that can just follow a program. Therefore, the reason why Inamori kazuo does not have to worry about his own work in the later stage of the enterprise, amoeba's management of this method to capture the hearts of the people is the most important factor, which is organizational Performance Management and Collaboration in Amoeba operation [4].

A case study based on Kyocera, says that Kazuo Inamori defined amoeba management as "taking the leaders of each amoeba as the core, letting them make their plans, and relying on the wisdom and efforts of all the members to achieve the goals. In this way, the frontline employees can become the protagonists, actively participate in the operation, and then realize full participation in the operation [5-7]. In a real enterprise, the front-line employees have a low sense of existence, and the working environment is relatively poor. Paying attention to the ideas of the front-line employees also lays a foundation for Inamori Kazuo to realize the large-scale participation of all in the management in the future.

We can also look at the development of amoeba in other companies. Company N from china First of all, we should have a deep understanding of the appropriate environment for the Amoeba accounting model. Company N is a young enterprise with strong management acceptance ability and advanced business philosophy. Therefore, based on such a foundation, company N can certainly provide good soil for the landing of the Amoeba accounting model. N company also has advantages in personnel composition. Most of its employees are highly educated, have strong adaptability, and have an excellent ability to accept and execute new things. All of these provide a good foundation for the development of the Amoeba model. As the amoeba model developed by N Company emphasizes independent accounting and performance evaluation among departments and requires each department to report financial information in time, the financial department can quickly change the benefits of each amoeba of the company mirror, based on independent accounting, the company several Amy has from the accounting department, the department of trade between mouth Yao, negotiate prices, market consciousness plays a leading role.

The effect of the company's amoeba operation depends on the age structure of the company. Such young people as N company are hungry for most groups and have received higher education. Indeed, it provides a good foundation for amoeba operations to develop, and its development speed is certainly much faster than others.

### **3. The business philosophy of Kazuo Inamori**

Inamori Kazuo this person's history of entrepreneurship is very wonderful, so Kazuo Inamori is very worth studying, because the business philosophy comes from his brain, and Kazuo Inamori has a point in business philosophy called "respect god and love god," which at first sounds metaphysical.

#### **3.1 Respect everything**

Respecting everything means day to the first layer of meaning is to follow the conscience to do things is to act on the instructions of her day. Kazuo Inamori's use reached the point at which the

heart is good if everyone does things according to the first kind is pure idea, actually what things wouldn't exist intrigue, also will not exist despite the next layer of meaning, Kazuo " Respect everything ".

Inamori thinks " Respect everything "means to conform to the will of the universe, he believes everything in the universe exists to promote the life cycle, the ceaseless growth of will and strength 'I think it is still used in Kazuo Inamori better his business philosophy for the implementation of the theory, he put the energy of the universe in his ideas, The manager must conform to the will of the universe, and the instantaneous level changes from the enterprise to the universe, because the truth of the universe must be right, he let the employees from following their orders, to follow the commands of the universe, which completed a very wonderful force, the effect is certainly different [8, 9].

### 3.2 Care for the world

Followed by "care for the world" put employees in the first place, to take heart as this business 'kazuo inamori thought in the development of the company, the heart is the most important, when the boss' pursuit of personal technology operates dream, even if success is built on the sacrifice the interests of the employees' laughter, there must be tears, on the basis of a lot of things in a certain sense is equal, Although it is said that the heart is very easy to shake, but can also be a good grasp of it, once a group of people trust each other, they are a wall that will never collapse, and to develop based on the heart, the enterprise will become indestructible," and worship days, he will focus on the word "respect", and "love" is the focus of "love", we can interpret it for charity, except with the fear of the heart, also want to have a caring heart, in ancient China, the gentleman the love between is built on the basis of good faith, love in the west could be understood as love your neighbor as yourself, so kindness is very important in the human character.

A psychiatrist at Jinan Yuan da Traditional Chinese Medicine Naokang Hospital, the first answer he gave was that love has no cause, it is the natural expression of human nature. The doctor also mentioned that love is the core of Confucianism, Confucius believed that love is the foundation of human life. Confucius is not only a propagandist of benevolence but also a practitioner of benevolence. Confucius put forward that a man can be called a man of lofty ideals as long as he can fulfill the five points of respect, generosity, faithfulness, sensitivity, and benefit, Benevolence is the cornerstone of Confucian philosophy, the keystone of Confucian philosophy, the keystone of Confucian philosophy. So what is benevolence? The teacher answered only one word, love, "only you take the initiative to go when you're good to others, to produce for your kindness to others, if all the executives in the company strive for their interests, as long as there is little decisions affect their interests don't agree, the company may be the original is not progress, the company had no" love "to speak of [10].

So why are some enterprises down for the introduction of this management idea, when I was browsing tiebar just saw an article poking fun at the boss of a post, and the owner of this behavior is the introduction of amoeba management pattern, I was very don't understand, why to distribute the rights they are so fun, But by the time I finish reading this post, I found that the introduction of the boss is very funny, he asked his employees every day to read Kazuo Inamori's book and read out loud to your company's group, this seems to be brainwashed way there may be a little bit useless, but you never even introduce amoeba management idea, If employees don't believe in the experience, there's no need to implement it.

## 4. Conclusions

Kazuo Inamori's business model can be explored in many directions. This article reviewed the Amoeba Management model from the working environment and labor management system, as well as business philosophy. Respecting everything is of great help to Kazuo Inamori's good implementation of amoeba management in the enterprise. Loving the world is also significant when applying Kazuo Inamori's business model to different companies. Specifically, this essay examined

the application of Kazuo Inamori's business model, and in reality, stated the methods of applying Kazuo Inamori's business model flexibly.

## References

- [1] Ye Jianfu, Lei Yawen, Iryna Zvarych. The practice of Amoeba post-practice sustainable business model in real estate-taking zhongliang as example[J]. Herald of Economics, 2022 (2): 20-33.
- [2] Michaela Blahová. Bata and amoeba: Successful management systems to maximize corporate performance[C]//Proceedings of the 8th European Conference on Management Leadership and Governance ECMLG. 2012: 39-49.
- [3] Desai, Nirmal, Amit K. Chopra, and Munindar P. Singh. Amoeba: A methodology for modeling and evolving cross-organizational business processes[J]. ACM Transactions on Software Engineering and Methodology (TOSEM), 2009, 19(2): 1-45.
- [4] Taninecz, George. Kazuo Inamori: Respect the divine and love people'[J]. Industry Week/IW, 1995, 244(11): 47-50.
- [5] Singh J. Performance productivity and quality of frontline employees in service organizations[J]. Journal of marketing, 2000, 64(2): 15-34.
- [6] Larkin T J, Larkin S. Reaching and changing frontline employees[J]. Harvard Business Review, 1996, 74(3): 95-104.
- [7] Malhotra N, Mavondo F, Mukherjee A, et al. Service quality of frontline employees: A profile deviation analysis[J]. Journal of Business Research, 2013, 66(9): 1338-1344.
- [8] Massa L, Tucci C L, Afuah A. A critical assessment of business model research[J]. Academy of Management Annals, 2017, 11(1): 73-104.
- [9] Al-Debei M M, Avison D. Developing a unified framework of the business model concept[J]. European journal of information systems, 2010, 19(3): 359-376.
- [10] Pinto Jeffrey K. Project management, governance, and the normalization of deviance[J]. International journal of project management, 2014, 32(3): 376-387.