

Activating organization by dialogue:

The case of a Japanese company

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Abstract

In this paper, the focus is on “dialogue” as one of the methods to activate internal organization. Dialogue is generally recognized as a method of person to person relationship building. However, because an organization is a group of people, it was hypothesized that application of dialogue to the organization might be possible. According to literature research, it was found that dialogue was also effective for activating organization. Furthermore, this paper analyzes the case of organizational transformation of ISUZU Motors, a leading automobile manufacturing company in Japan. Analysis shows that “dialogue” played a major role in the success of the change. So far, support by individuals through career counseling was shown to be effective in activating organizations. Individual support through counseling was also shown to be effective in activating organizations. In this paper, focusing on “dialogue,” it is suggested that it could be applied to organizations and could be one of the effective methods for its activation.

Keywords

dialogue, activating organization, forced reform, organizational change, organizational culture

1. Introduction

As a factor that inhibits activating organization, there is sectoral conflict due to sectionalism. Lovelock and Wirtz [2007] point out that emphasizing the market as the service organization emphasizes the market and strengthens customer service, making it more likely that marketing, operations and personnel divisions will conflict, especially between marketing and operations divisions. It is important to understand that this conflict stems from the fact that both divisions try to fulfill their role in their organization and not by failure to work. For example, the marketing department believes that it is their role to increase the value of services provided and increase customer satisfaction, while the operation department considers the conditions such as employees, facilities, or food, etc. Costs are considered to reduce “waste,” increase efficiency, secure profits as one’s own role, and the operation is cost to the service value improvement plan that marketing intends to carry out. It may be considered against the reason for the increase. Both departments are pursuing the interests of the organization, and neither has the wrong idea. Thus, the more each department adheres to its role, the more likely conflicts will occur. In addition, this conflict appears not only as a business opinion difference but also as an emotional conflict. Both departments intend to think about the whole organization, and they regard each other as “a non-understanding, lonesome guy” and refuse to cooperate, and as a result, the appropriate service is not provided to the customer. Externally, it is regarded as ignoring the customer who is the source of profit, but both parties are trying to be true to their role. However, the problem is that confused customers will not use the service organization. If such events occur repeatedly, customers will be separated, and eventually their performance will deteriorate and their organization will

decline.

Service organizations must avoid such a situation by any means. Lovelock and Wirtz [2007] stated as follows: In order to enable each department to cooperate and exhibit synergy effects without causing such a situation, the top management clearly defines the role of each department, and how to each department in the entire organization for customers it is necessary to specify whether there is. However, the instructions given from the top down are difficult for employees to understand and may be repelled, and in some cases they may not be effective enough. In order for each department to understand their roles, what their role means within the entire organization, and what kind of influence they have for customers, they need to understand each other’s position, that is, they must have mutual understanding. In addition, not only daily conflicts between divisions, but also conflicts between individuals within divisions, for example, conflicts between superiors and subordinates, colleagues in organizations occur. Nakahara and Nagaoka [2009] and Hersted and Gergen [2013] insist that “dialogue” becomes an effective method to reduce conflicts within the organization, respect each other’s positions, deepen mutual understanding, and move the organization in the same direction. Also, Anderson [2017] mentioned “respecting dialogue” as one of the key points in organizational development. Furthermore, Bushe and Marshak [2015] take “dialogue” as the core method of activating organization.

This paper focuses on the case of organizational change in ISUZU. ISUZU is a manufacturing industry, not a service industry. However, from the view of service dominant logic that all transactions are services [Lusch and Vargo, 2014], it is possible to find commonality between manufacturing and services. In addition, regardless of the type of industry, people are involved in internal and external activities. Therefore, it can be considered that the case of manufacturing is an indication for activities in the service industry, and vice versa. In this paper, it is suggested that “dialogue” would be an effective method

of activating organization. Furthermore, the findings obtained include the possibility of diverting activities in the service industry.

2. Method

This paper mainly adopted literature research. Firstly, it discusses what dialogue is. In particular, it adopts a social construction position and focuses on what kind of effects the dialogue produces on the activation of the organization. Secondly, it examines the case of ISUZU Motors Limited, which was at risk of bankruptcy, but was revived by introducing dialogue to the organization. The above suggests that dialogue is an important factor for activating organization.

3. Relationship between dialogue and social construction

In the former high economic growth period, what was emphasized in the corporate organization was how to transmit instructions and orders from the management, and there was no need to understand its contents or communicate within the organization. That is because it was an unanimous agreement for everyone to pursue growth, in other words, to expand sales. The products that were developed and produced were sold one after another, and it was a matter of how much to sell more than marketing, so it was the situation where the amount of sales was determined by how much time was spent on sales activities. Not only the manufacturing industry, but also the service industry. Customers came in one after another as they built new facilities. It was not necessary to consider what kind of service would increase customer satisfaction, and uniform service was enough. In the manufacturing industry as well as in the service industry, it was a time of mass production and mass consumption. However, when the recession started, industries would not know what to do, and they were at a loss. The times had changed from quantity to quality, and the way it used to operate now was totally irrelevant. Customer needs were diversifying and changing from moment to moment. It became a state of grooving in the dark, where top management and employees did not know where to go. It can be said that it was now the time to think about the direction in which all members should move, from the time when all members proceed under the direction of top management. Nakahara and Nagaoka [2009] say that “dialogue” has an important meaning only in times when such a future cannot be seen. It has become necessary that each person thinks independently as “What does this project aim for in the first place? What is the significance of this product in the first place?” It has become necessary to create a collaborative thought process that explores the vague and fluid “going direction” together. It can be said that now is a time when “deep thinking” is required rather than “running fast.” How do each members connect “deep thinking” with action? In order to do so, a process is needed to share each other’s understanding. Here, the possibility of dialogue can be found [Nakahara and Nagaoka, 2009].

First of all, what is “dialogue”? Here, the interpretation of

Bohm and Nichol [2004] is adopted. Dialogue is based on the Greek word “dialogos.” “Logos” means “word”, and here it should be thought of as “meaning of words.” “Dia” means “through.” Dialogue is possible not only between two people, but also by any number of people. If the spirit of dialogue exists, one person can interact with himself. From this source, reflection and images of “flow of meaning” flowing through people are created. This conveys a kind of stream of meaning to the whole group, and conveys the possibility that new understanding emerges from there. Sharing something in this way plays the role of adhering people and society to each other like “adhesive” and “cement”. Nakahara and Nagaoka [2009], regard this “sharing of meaning”, from the standpoint of social construction, “Communication makes sense of things. People’s actions are directed by their implication.” In other words, the meaning of things is that they do not exist originally, but are born by communication of people, and people act by that meaning. According to Nakahara and Nagaoka [2009], “the meaning of things” that people usually think exist objectively has actually been created as a result of social interaction among people. It means that there is no such thing as the “meaning of things” that does not shake absolutely. The point of social construction is considered to be a premise for understanding “dialogue”, so the points are as follows: [Nakahara and Nagaoka, 2009].

- In everyday life, people are not “objective facts (knowledge, information, data, etc.) themselves” but “objectives.” Through meaning-making to the facts, people understand their own living world and direct our actions.
- However, many people are often not aware of the difference between “objective facts (knowledge, information, data, etc.) itself” and “meaning for objective facts”, which often leads to misunderstandings and confusion.
- In order to avoid misunderstandings and confusions, we should focus on the process by which people “meaning” things (objective facts) through interactions in social relationships. In other words, people have to cherish their mutual understanding because they are derived from the act of communication that means things.

Nakahara and Nagaoka [2009] point out that the 3rd point is particularly important in the business field. This is because, from this point, it is realized that “humans understand the world while constructing meaning in communication with others.” Therefore, without this awareness, misunderstanding and confusion will occur. The sectoral conflict between sectors mentioned at the outset is thought to arise because of this lack of awareness. In other words, in each department, what is regarded as objective and correct is considered as subjective and not correct from the viewpoint of other departments, so that conflict arises. In order to avoid this conflict and deepen mutual understanding, it is necessary to understand each other, as in the 3rd point and to realize that “humans understand the world while constructing meaning in communication with oth-

ers.” It will be necessary. It is thought that the method to foster this awareness and promote mutual understanding is “dialogue.” It can be said that “dialogue” is a form of communication that deepens mutual understanding while holding a social construction point of view focusing on the relationship between “objective facts” and “meaning” [Nakahara and Nagaoka, 2009].

Nakahara and Nagaoka [2009] define “dialogue” as follows:

Dialogue is

- Under a loose theme that can be shared.
- It is carried by the listener and the speaker.
- Creative communication act.

Nakahara and Nagaoka [2009] explain about the 1st and 2nd points as follows:

- It is necessary to set a theme that can be shared by the participants. It is difficult for everyone to commit on a theme that is important for some people but not important for other participants. Therefore, there is also an approach in which the dialogue is started from the starting point of what to talk about. Also, the theme is not “urgent and immediate response required,” but it is desirable to select “essentially important for daily work.”
- The dialogue shows that at least two subjects, a listener and a speaker, are needed. What should be kept in mind in order to realize the dialogue is not “listening” but “listening” with a firm interest in the other’s talk. The essence of the dialogue is “listening.” Because, in order for someone to start speaking as a “speaker” and to continue speaking, it is necessary for someone to take on the role of “listener” and that the speaker is taking on the role of “listener.” It is necessary to “show” intentionally and implicitly. “Being a listener” is an “active and intentional act” that plays a role of listening carefully to the other person’s story.

Communication means to understand each other by two-way information transmission, and to emphasize that mutual cooperation is created by the cooperation of listeners and speakers. This can be understood as expressing “creative communication.” There is more commentary about part 2, it also refers to “speaker” and to “listener.” When the talker gives his/her opinion, it is important to give a first person talk such as “I think ...,” “I want ...” and “I did experience with ...” When it comes to discussing big problems, in many cases the subject is “We” “Generally” “Industrially” and tends to be critical. This is not a “dialogue.” In the first-person speech exchange that brings “I” to the fore, new meaning that has not been noticed until now is created, things are deepened in understanding, new viewpoints and awareness are born. It becomes such a state and it can be called “dialogue” for the first time [Nakahara and Nagaoka, 2009].

As with dialogue, the characteristics of dialogue become more visible than “discussion” which means talk. Bohm and

Nichol [2004] say that the basic point of “discussion” is to win the game. The word “controversy” is the same as “percussion” and “concussion,” which means that things are broken. Since “discussion” emphasizes the concept of analysis, there are various perspectives, and everyone offers different perspectives. “Discussion” is like ping-pong, where people are putting their thoughts around. The goal of the game is to win or earn points for yourself. However, in “dialogue” no one is going to win. If anyone wins, everyone will win. “Dialogue” has a different spirit from “controversy.” There is no attempt to gain points in the “dialogue” or an attempt to pass on their own opinions. It is a situation that satisfies each other. “Dialogue” has more meaning than joining together; people are fighting together, rather than fighting each other. In other words, everyone is the winner. Nakahara and Nagaoka [2009] compare “dialogue” and “discussion” as follows:

Dialogue:

- Atmosphere: Free mood
- Contents of the talk: Serious talking

Discussion:

- Atmosphere: Stressed mood
- Contents of the talk: Serious talking

Although “dialogue” and “discussion” have the common point <contents of the talk: serious talking>, the atmosphere is different. “Dialogue” is to seriously enjoy talking on serious themes. Nakahara and Nagaoka [2009] say that “discussion” is a place to make decisions about something ultimately. The common points to make a “good discussion” are:

- To clarify the goal of what to decide finally.
- To prepare in advance “information” such as materials necessary to reach the goal.

It is a typical form of “discussion” that “strikes the argument which is correct among some options, and throws away one and takes one.” What makes it efficient is a “good discussion.” In other words, “preparing options and making decisions from among them” is the process of “discussion.” In contrast, “dialogue” follows a completely different process. It is neither a debate to decide on winning, losing, nor a trade to seek the best of each other. Talking will be conducted in the direction of exploring the possibilities of the underlying options again, or reviewing the evaluation criteria themselves. It is not the purpose of making a conclusion or making a decision. “Discussion” and “dialogue” are complementary. However, often the process of dialogue is often omitted as tacit or time waste. For example, in meetings such as in companies, it seems that there are many assumptions starting from “discussion” without “dialogue”, probably because there is an assumption that “everyone knows about what is important to our company, so we share it.” However, if one does not share the value assumptions that the other party thinks and the world view behind the actions, everyone

can not act in unison even if a compromise is found. Even if they agree, the ship will not move. After all, it does not lead to good teamwork and good organizational behavior.

4. Development of “dialogue” in the organization

In the previous section, with regard to what “dialogue” is, based on its theoretical background, and in contrast with “discussion,” the understanding was deepened. In this section, it is examined how “dialogue” works in an organization for its activation. Nakahara and Nagaoka [2009] mention the following three points about the meaning of “dialogue” in an organization.

- Collaborative problem solving is possible.
- Sharing of knowledge proceeds.
- Lead to organizational change.

Recently, many companies are working on “problem solving across organizations” in order to avoid the negative effects of vertically divided organizations. For example, “Workout” in General Electric (GE) is mentioned as a representative approach [Nakahara and Nagaoka, 2009]. A characteristic of “cross-organizational problem solving” is to gather people with different specialties and people with different experiences, and aim to create a diverse venue and lead to creation and innovation. However, due to the variety of this approach, tensions and conflicts are frequent, human conflicts with values and emotions occur, opinions are split, and discussions often follow parallel lines. Therefore, “cross-organizational problem solving” has the potential to exert great effects, but it is also a fact that is difficult to realize [Nakahara and Nagaoka, 2009]. In order to properly set the “problems to be solved,” it is necessary for the members to understand the situation multilaterally and share the meaning. For that purpose, “dialogue” is required rather than “discussion” [Nakahara and Nagaoka, 2009]. “Discussion” is “problem-solving” that determines which of the options already set is correct. On the other hand, “dialogue” is not trying to find common points among existing options, but trying to find new options that have not yet been noticed by recognizing differences between them.

Understanding each other’s positions and opinions makes it possible to see the various “meanings” of the situation and to open up prospects for new problem settings. Because “discussion” is “seeking only one correct answer,” differences in opinions and positions among members are a major factor preventing agreement. On the other hand, “dialogue” means “situation from multiple directions.” Therefore, differences in opinions and positions among members reveal problems in evaluating the situation in question from uniform criteria. The merit of gathering diverse members is not “to jointly choose the only correct answer for a given problem” but “to jointly make the problem setting appropriate to the situation.” Therefore, it is thought that “dialogue” is the appropriate approach, not “discussion,” to create full diversity and to succeed in “inter-

organizational problem solving” for the purpose of creation and innovation.

5. The case of organizational activation by dialogue: The case of ISUZU

This section looks at the case of organizational activation by “dialogue” in ISUZU. It shows the process of organizational activation based on Shibata and Kanai [2013]. Shibata and Kanai [2013] do not describe the core factor of activating organization as “dialogue,” but considering the process, it can be seen that the underlying factor is “dialogue.” ISUZU is in the automotive industry and has the oldest history from 1916 in Japan. Until the early 1960’s, along with Toyota and Nissan, it was a prestigious company. Sales for the fiscal year ending March 2018 were over 2 trillion 70 billion JPY (Isuzu official site), and achieved solid results. However, ISUZU, with its fiscal year ending October 1991, has hit a record-breaking current account deficit of 47.3 billion JPY and was about to go into bankruptcy. From there, they made every effort to transform their organization, and in the fiscal year ending March 1996, it returned to a 40 billion yen surplus. In the process of reform, the central concept of “dialogue” can be seen.

As mentioned in the first section, Nakahara and Nagaoka [2009] argue that the essence of “dialogue” is not “speaking” but “listening.” The reform of ISUZU also began with hearing the voice of employees, that is their complaints. When people explain their dissatisfaction, eventually their feelings change positively. This is a process in which the consciousness of being done is transformed into the party awareness. The employees who turned to party awareness began to discuss about “What is the problem?” This is the “setting up of the problem” in the process of “dialogue.” And from there, employees themselves found a solution. However, earlier reforms were top-led forced reforms. The entire organization was exhausted. In 1984, when Kazuo Hiyama took office as president, ISUZU had a loss of 17.7 billion JPY, and it tumbled without distribution. President Hiyama raised a sense of crisis, formulated a medium-term plan to aim for recovery of business by 1987, and worked on reform. However, the reform was a “forced reform” in which “the ideal form of being desirable” was presented from the top to exert strong pressure on the employees. Therefore, it fell into the situation to which management did not function. However, “reform that shows what should be in shape, exerts strong pressure on employees, and leads it” is also a very orthodox form of reform. For this reform to be effective, it requires a certain level of trust between management and employees. It did not work because at that time ISUZU lost this sense of trust. President Hiyama was not aware of this. Hiyama’s reform first introduced TQC (Total Quality Control) and then adopted the TOYOTA Production System. Based on them, he had also launched their own initiatives, such as factory improvement activities (IPS: ISUZU Production System), and office work rationalization activities (IJS: ISUZU office work rationalization system) to improve white-collar productivity. The most

important thing was TQC. The purpose was to stop the decline in earnings and revitalize the rigid organization. However, rather than using TQC as a means to get closer to facts and realities, the purpose is to “get TQC” itself. In other words, it could be said that it had become a “controversy” that can be advanced by TQC without “setting of the problem” and “sensitizing” what was the problem in the process of dialogue. The introduction of TQC was strongly promoted by the TQC Office located at the head office. Even looking at the training manual created by the Promotion Office, the original purpose of the introduction of TQC is not focused on at all. In the first place, the meaning of “for what purpose” was vague and the activity rushed. As a result, among the participants who did not develop the intrinsic motivation, “forced feeling” became clear [Shibata and Kanai, 2013]. TQC has a diagnostic guidance meeting. The relationship between “the side to do” and “the side to be done” was clearly shown in this guidance meeting. The purpose of this guidance meeting was to have the external consultant and the president diagnose the progress and results of the activities in order to improve problem-solving ability by policy management.

The presentation was done by the directors, which was painful for them. The presentation was made in a very strict atmosphere, with the president, officers, outside consultants, and section manager attending, and the subordinates also listening. Naturally, they were not allowed to make bad presentations at such places. Depending on the content, the competence as a director may be questioned, and their evaluation may be lowered. Therefore, they were desperately preparing for the presentation in order to make a good appearance. When the day of the guidance meeting came, the director who was scheduled to make a presentation took several days to gather up his subordinates, and repeated the rehearsal of the presentation. If there were any deficiencies or problems in the contents of the presentation, the consultant would relentlessly abuse them in front of many people. It was a painful experience for them to be abused by consultants and officers in front of their subordinates. The main concern of the directors was how to overcome this ordeal and how to avoid the abuse. Then, the original business became a second thing. The contents of the important activities were the ones that considered the guidance meeting measures first. Therefore, the act of imitation that the innocuous theme which is close to solved is set is spread. Even though directors overcame this guidance meeting, they had no sense of accomplishment or pleasure. They could not feel positive about trying to take root of the TQC method in their daily work. As the TQC Promotion Office, which received the president’s intention, desperately tried to “force them to do it,” the devastation of the organization progressed.

The turning point came when a director named Kitamura visited Shibata of Scholar Consult which had been successful with Nissan’s reforms. Kitamura asked Shibata to give a lecture. The title was “The challenge to unforced reform.” This “unforced reform” became a keyword in ISUZU’s reforms af-

terwards. Shibata said as follows:

“The company changes the company, not the company reforms the employee. Instead of seeking the driving force of the company for the command and command of the company, for the internal energy of the employees. I think that future corporate reform should go that way and it is possible to do so.”

[Shibata and Kanai, 2013]

This thought is common with Hoshino of Hoshino Resorts [Hashimoto, 2018a]. Even if ordering “reform,” employees would only become tired. The first step that Scholar Consult worked on was to receive all the complaints put out from the employees.

Shibata said as follows:

“If creating a place where it will be able to say anything freely in a battered organization, employees will be flooded with complaints about the company as if they were having a cough. In such a case, we will concentrate on the role of “listening to talk” and “receiving feelings.”

[Shibata and Kanai, 2013]

This approach leads to counseling, especially to the Person Centered Approach [Hashimoto, 2018b]. Counseling starts with “listening” to the client. The counselor understands the client by unconditional positive consideration and accepting without denying the client and the client deepens reflection. Through this step, a trust relationship is created between the two. In counseling, the client deepens reflection, becomes noticed, and moves forward by himself/herself. This is the same flow as the “dialogue” process. Shibata says, “A lot of people take steps to avoid complaints and become a party” [Shibata and Kanai, 2013]. Thus, the change progressed.

At ISUZU, it was Kitamura, mentioned above, who performed a central role in change. In large companies, such as ISUZU, it is prohibited for the middle to make a proposal to the top management. However, Kitamura wrote a letter of direct proposal to the president, after he received understanding from officers. The letter was accompanied by a book by Shibata that told the story of Nissan Motor Change, “What changed Nissan Motor.” Key points of Kitamura’s letter were as follows:

- Organizational change is an effort to change the culture and atmosphere of the organization, and a different approach is required.
- Activities should be carried out creatively, drawing out the vitality and ideas of employees, not using fixed management techniques.
- Nissan had the support of the presidents and officers, therefore middle management were able to proactively take action while taking risks.

Kitamura stated that he would like to try similar activities in ISUZU, and he asked President Hiyama to support them. He was prepared to be fired. However, President Hiyama received his direct request. Kitamura was the editor-in-chief of the company newsletter “ISUZU Shimbun,” and he used the company newsletter to motivate employees. Kitamura planned a “Honne Round-table” in which the president and young employees talk in real terms. In the company newsletter, inconvenient remarks are usually deleted, but Kitamura decided to make everything public, and informed the president and other participants as well. In the round-table discussion, the true intentions of employees overflowed, as Kitamura aimed.

About TQC activities, the following opinions were issued: “It should be a means, but it has become a purpose,” and “It is not a pursuit of cause but a pursuit of responsibility.” President Hiyama was shocked. Because the officer responsible for TQC and the director of the promotion office never raised such a report to the president, he had never heard such opinions.

“Honne Round-table” was then held, bringing together people working at a factory and sales staff from sales companies. However, change is accompanied by a resistance. The resistance of a certain officer forced Kitamura to finish in four sessions. However, it succeeded in stopping TQC activity.

In 1991, ISUZU fell to a final deficit of 47.3 billion JPY, then President Hiyama retired, and Seki became the new president. Kitamura thought that his role ended when TQC activities were discontinued. However, the new President Seki asked him directly to continue making changes, and Kitamura again began a dialogue between the president and employees. Normally, such a dialogue with the top was selected by personnel in advance, but Kitamura recruited participants. It is because it makes sense to talk in earnest. The rules of the dialogue are as follows:

- Number of employees participating in one dialogue meeting is less than 8 people. In order for employees and the president to talk with each other sufficiently, we also consider that it is not a meeting where only the president speaks.
- Principal voluntary participation.
- Creating a place where anyone who wants to talk can participate and talk in real terms.
- The location of the dialogue will be set as close as possible to the participant’s workplace. The president goes to the place where employees work and talk. Also, when he goes to the factory, he changes to work clothes. It is a device to make the president feel familiar.
- Do not make a script. This is also a device to talk in earnest.
- The contents of the dialogue will be published. Making a booklet and handing it to all employees who want to read to tell many employees.

With these rules, the dialogue session was able to exchange real opinions in a peaceful atmosphere. The number of sessions was over 60 and the number of participants exceeded 500 in

all.

Next, Kitamura started holding “The 100 People Committee.” “The 100 People Committee” was the official committee of the company. The name of “The 100 People Committee” does not mean 100 members, but it was a name that included the meaning of “a committee that talks about everything with many people.” At first, the members were recruited from directors, and the managing director took office as chairman. The participating directors were highly aware of the problems, but did not talk about how to specifically solve the problem, and were lacking in excitement. Eventually, mid-career and young employees came to participate, and discussions became more and more active. They made the following statement to Kitamura, and The Committee of 100 People Committee changed.

“Directors who gather here will not be in ISUZU in the 21st century. It’s no use asking people who will not be in the company in the near future to raise problems. Please let us do it.”

[Shibata and Kanai, 2013]

When the door was opened, 50 young employees participated, and then they came to dominate the committee. This triggered The 100 People Committee to spread rapidly in-house. There were committees by office and department, and committees in the form of young employees gathering across the workplace were born throughout the company, then the organization was activated. The feature of The 100 People Committee is that it does not “manage.” Although the committee was the official organization of the company, all operations were left to the participants’ autonomy. The individual was respected by the committee, attention was given to the individual’s freedom. However, the budget is prepared by the company because it is an official activity. At last, not “forced reform” that the company makes the employees do but “reform by themselves” in which the employees themselves have a sense of ownership was born. The committee held as follows:

“At the meeting, members talked frankly with each other about the collected facts, and began to reveal more essential issues. Then, the common sense and values hidden behind the problems were clarified and shared among the members.”

“If a problem is revealed and members can share it, half of the problem seems to have been solved. In fact, at this stage, people are changing their minds, and the way they work and their behavior are changing.”

[Shibata and Kanai, 2013]

Kitamura does not mention “dialogue.” Also, it is thought that Kitamura did not know the method of “dialogue” because he used the word “discussion” instead of “dialogue.” However, what had been done at the committee was not “to jointly choose the only correct answer for a given problem,” but “to

jointly mean the problem setting appropriate for the situation.” Therefore it is thought of as the process of “dialogue.” Generally, when the transformation of behavior starts, “action standards” are created to continue the behavior. However, Kitamura did not create it. Because it is thought that the “action standard” is a “tool” for changing the action and fixing the changed action, not for “purpose.” Kitamura thought that if the “action standard” was made, it might become the purpose and that the original purpose would be forgotten. However, the following rules were set. This also corresponds to the central concept of “dialogue.”

- Do what you really mean.
- Do not aim for presentation.
- Do not attack individuals.
- Continue to talk with each other independently until it leads to implementation.
- Don't mind too much about hierarchical relationship.
- Write down the contents of the talk.
- Executives should speak in the same perspective as members.

Kitamura talks about The 100 People Committee as follows:

“I thought that The 100 People Committee was the place to talk in earnest with each other first. However, it is not a place to share complaints, but a place to discuss based on facts, a place to cherish the view of one's own things and to share ideas.”

“I did not aim for presentation because I wanted the members to share the process, not the result of the discussion.”

“The reason for prohibiting personal attacks is that there is no one in the company who keeps doing bad things deliberately.”

“The stance of The 100 People Committee is that the problem should be solved by all members.”

“The 100 People Committee was not a meeting-oriented activity, therefore the emphasis was on implementation.”

“I suggested getting a hint through the discussion, taking action from what they can do, and if they find a problem there, inviting necessary members and continue the discussion.”

“Upper layer people in the organization tend to mention about the hierarchical relationship at the place of the meeting. Their attitude makes lower layer people, mostly young people less motivated.”

“In reforming organizational culture, both executives and general employees are the parties involved in solving prob-

lems. There must be no gap between the two.”

“During serious discussions, members may become emotional and discussions may reach a dead end. It is not possible to clear all issues in a single meeting. That is why it was important to keep a record of the meeting.”

[Shibata and Kanai, 2013]

What Kitamura did was to create a “dialogue place,” and to say “support” for maintaining and developing its environment. He set up The 100 People Committee, set out the basic policies and made rules, but did not manage them. When the talks started, he left the members to their autonomy, and sometimes left the meeting. He later did not receive any reports. He said to members the purpose of the meeting may be anything, he entrusted them with the meeting. Furthermore he told them they could quit if they did not like the meeting. Kitamura said about the people who belong to the organization as follows:

“Everyone who belongs to the organization initially has a critical attitude. The members of The 100 People Committee were the same, and at first they were like a critic group. They complained about their company and if they found problems they blamed others and did not try to solve them themselves. Many such people were included in the committee.”

“However, that is a matter of course, and I did not criticize those people. I believed that as the meetings went on, those who changed from critics to parties would appear.”

“People feel happy by changing their behavior. Those who became parties found out that life was more interesting.”

[Shibata and Kanai, 2013]

In addition, Kitamura said that when participating in reforming organizational culture, the following three changes appeared in people.

- Changing to human resources with a sense of “management” rather than “administration.”
- Changing to human resources focusing on “problem finding” rather than “problem solving.”
- Changing to human resources with “human power” rather than “work power.”

Regarding the 1st point, Kitamura said that there are too many “people to administrate” in Japanese companies. According to him, “administration” means controlling the organization based on the instructions from the upper echelon, on the other hand, “management” means thinking about what employees themselves should do while taking into consideration the environment in which the company is located and the internal conditions of the company. He insists that there should be more “management people” in the company. In addition, he insists

that management is not the job of only a manager, furthermore it is necessary to have field management in the field, department management in the department.

Regarding the 2nd point, Kitamura says that in an organization, finding problems is more important than solving them. If the problem is known, someone will try to solve it, but if the problem is not known, the condition of the organization will not become good. Regarding the 3rd point, Kitamura says that knowledge, skills, judgment are studied and learned as work ability, however human power refers to the personality, attractiveness and tolerance of the person. Kitamura argues that the thing that reflects human power is “listening power,” and those who participated in organizational change will improve human power and enhance their real leadership. “Listening” is the basis of “dialogue.” It can be said that Kitamura’s claim on the 3rd point can be read as enhancing “dialogue power” to enhance human power.

The case of ISUZU’s organizational change suggests that “dialogue” can be a catalyst for the activation of internal organizations. Kitamura, who performed a central role in organizational change, did not seem to know about “dialogue,” however, the process clearly contained the central concept of “dialogue” and its method. Successful organizational change has the central concept of “dialogue” and it can be considered that the method is used.

The case of ISUZU occurred about 20 years ago, and there may be a question as to whether it can be adapted at the present time. However, it is found in ancient literature, such as Marx Aurelius’s *Meditations* [Aurelius and Kamiya, 2007] written in ancient Roman times, that it is the human relationship that is the basis for activating organization. Also, it can be understood from the fact that, in Japan, the *Koyo Gunkan* [Sato, 2006], which wrote the story of the Takeda during the age of war around 450 years ago, had the words “People are the wall and people are the castle.” In this way, it can be thought that the concept of improving human relationships which leads to tissue activation is universal.

6. Conclusion and future research subject

This paper focused on “dialogue” as one of the methods of activating organization, and began with an understanding of dialogue. In addition, it is suggested that “dialogues,” which are generally considered to be aimed at enhancing the relationship between individuals, are also an effective method in organizations. Furthermore, based on the case of ISUZU’s organizational change, it was examined whether “dialogue” is an important factor in activating the organization. As a result of verification, firstly, in ISUZU’s organizational change, it is shown that it was the activity through their talks that employees found the problems in the organization. From the above, it can be said that “dialogue” is suggested to be an effective method for activating organization.

A future research topic is to verify whether “dialogue” is also an effective method in the service organization. Hashi-

moto [2018a; 2018b] has already suggested that career counseling and counseling can be an effective method not only for individuals but also for organizations in Hoshino Resorts as a service organization. In building relationships with customers in service organizations, building relationships between people within an organization is more important than manufacturing industry [Heskett et al., 1997]. Thus, a future research subject is whether “dialogue” can be an effective method in the service organization.

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