

# Steps to Leadership

The Center for Asia-Pacific Exchange

## Before you begin

From the picture below, what sort of leadership qualities do you think Akio Morita possesses?

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IF MORITA AKIO HAD BECOME JAPAN'S "BUSINESS PREMIER"

HANADA HIDEJI

### Key Terms:

**Cosmopolitan:** a person who is free from local, provincial, or national bias

**Shoddy:** of poor quality

**Testy:** irritably impatient

**Taboo:** prohibited or excluded from use or practice



*Akio Morita with Sony co-founder  
Masaru Ibuka*

The passing of Morita Akio, honorary chairman of Sony Corporation, on October 3 made the headlines across the world. The extensive coverage that all the major media gave to this news demonstrates just how recognized Morita "the **cosmopolitan**" was overseas. The New York Times on the same day bestowed on him the highest praise, writing that he "changed the world's image of the term 'Made in Japan' from one of parasols and **shoddy** imitations to one of high technology and high reliability in miniature packages." CNN noted his role in "helping to make Sony into one of the most easily-recognized brand names in the world," while Reuters regretted the death of "a key player in trying to smooth often **testy** U.S.-Japan

economic ties." In its December 7, 1998, issue Time magazine selected 20 individuals as "the most influential business geniuses of the century"; here, too, Morita had the honor of being the only Japanese to go on the list, alongside such figures as Henry Ford and Bill Gates.

Its are **taboo** in discussions of history. But if Morita had not succumbed to illness, the shape of Japan's business world would have been utterly different from the mere shell that it is now.

### **THE POST NEVER TAKEN**

It was six years ago, on November 30, 1993, that sudden tragedy struck Morita. Early that morning he was on an outdoor court of the

**Key Terms:**

**Hemorrhage:** a great discharge of blood, as from a ruptured blood vessel

**Forgo:** to do without; give up

**Inauguration:** the act or ceremony of introducing someone into office

**Head and shoulders (over):** greatly superior to

**Venerable:** old and respected

**Hand in hand:** closely associated; concurrently

**Internationalization:** the process of making something international

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*“A company will get nowhere if all of the thinking is left to management.”*

*-Akio Morita*

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Shinagawa Prince Hotel in Tokyo, ready to enjoy tennis with his younger brother Masaaki, then chairman of Sony Life Insurance Co. Soon after starting, however, the older brother complained that he did not feel well, and the game was called off. His condition showed no signs of improving even after he returned home —his movements were awkward, and he could not speak properly. Morita was rushed by ambulance to the Tokyo Medical and Dental University, where he was diagnosed with a brain **hemorrhage** and underwent four hours of surgery. Two days later then Sony President Ohga Norio visited Hiraiwa Gaishi, the Tokyo Electric Power Co. executive who at the time was the chairman of Keidanren (Japan Federation of Economic Organizations), the country's top business organization,

and informed him that Morita would have to **forgo** his public activities.

There was good cause for Ohga's haste in reporting the circumstances to Hiraiwa. Having already stepped down from his post as a Keidanren vice-chairman, Morita's role in the organization at the time was merely that of a senior member, serving as one of several vice-chairmen of the Board of Councilors. But earlier, Hiraiwa had privately asked Morita to succeed him in the post of Keidanren chairman. He was hoping to announce this decision soon after the 1994 New Year and hand the baton to Morita in May. The fact that Morita would have to decline the offer meant that the selection of a successor would go back to square one. Realizing the gravity of the situation, Ohga had hurried to Hiraiwa's office.

Just prior to this turn of events, Morita had been fully ready for the next step up. He had already given up the post of Sony chief executive officer to Ohga and was steadily preparing the company for his **inauguration** as chairman of Keidanren. For Morita, who had been called a “new leader” of the business world since his young days, his nomination in 1993—well after he had turned 70—was long overdue.

Morita stood **head and shoulders over** other Japanese business figures in terms of his renown overseas and popularity as a media icon, but in the domestic business community, where **venerable**

elders ruled the roost, he was not so well thought of. True, he was reputed abroad as “the best-known Japanese in the United States.” But unlike long-established corporate names like Toshiba and Nippon Steel, Morita's Sony was a rank newcomer, having only emerged after World War II.

There was also a characteristically Japanese sense of jealousy toward Morita's personality, which would frequently become the center of a media storm. The older generations of executives were used to doing business **hand in hand** with their colleagues, and they almost inevitably felt put off at sights like that of Morita coming down the ramp alone from the Sony corporate jet, his gray hair waving in the wind, on his way to attend the Japan-U.S. Business Conference.

Japanese people are generally not good at expressing their opinions. Morita, by contrast, outspokenly put his thoughts into words. This spirit of self-assertion should be the top criterion for Japanese executives in the age of **internationalization**, but Morita tended to be seen as a showoff. Thus his position within domestic business circles had been weighed down by anti-Morita sentiments, even though he was long recognized as an international businessman representative of Japan.

Morita's misfortune came just when the wind of globalization had finally cleared away the mist that had been obscuring his course and was about to propel him to the

### **Key Terms:**

**Premiership:** leadership

**Receptacle:** a container, device, etc., that holds something

**Salon:** an assembly of distinguished or prominent guests

**Whitewash:** to cover up or gloss over the faults or errors of

**Marshal:** to arrange in proper order; arrange clearly

**Acquisition:** the act of gaining possession of something

**Hackneyed:** not fresh or original

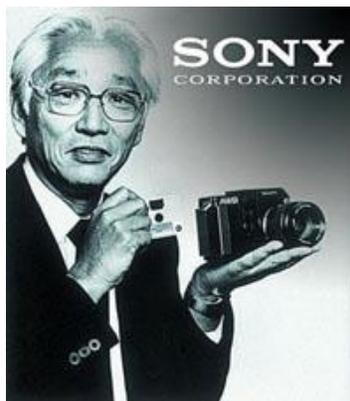
**premiership** of Japan's business world. Morita must have been utterly mortified. For the Japanese economy as well, it was a serious blow to lose the presence of a business leader who was familiar with and could clearly say no to the United States.

### **A "FRIENDS LIST" OF OVER 6,000**

In both politics and business, there are two types of people who aspire to become top leaders. On the one hand, there are those for whom reaching the top is the ultimate goal in itself. Such individuals, once they have settled in prominent posts, end up serving as passive **receptacles** for the harmonious blending of the energies within their organizations. On the other hand, there are those who aim to become leaders as a means of giving effect to the principles or policies that they believe in. Morita was undoubtedly of the latter type.

It was after Hiraiwa's predecessor, Saito Eshirō (then honorary chairman of Nippon Steel Corp.), assumed the chairmanship of Keidanren that the business

community deteriorated to a **salon**-like state and some people began insisting that such a community was useless. From around this time Keidanren came to be called the "buddy club" and transformed itself into a policy proposal organ that did little more than make **whitewashed** remarks. "Policy proposal organ" may sound grand, but without the initiative to ensure that its proposals are reflected in real-life government policies, its voice is no better than that of a tiny dog yapping in the wind. Morita, by contrast, was an individual who had the power to boldly deliver demands to the government, as well as the ability to **marshal** arguments against American counterparts directly in English and cross swords with them on equal terms. He presaged the birth of an unprecedented type of Keidanren chairman.



Morita's power drew, first of all, from his broad personal connections both in Japan and across the world. His personal computer in the chairman's office at Sony stored a "friends list" containing more than 6,000 names—a virtual chronicle of his 50 years of business activity. Over half of these people were acquaintances overseas, including leading

international figures. Morita most likely was the only executive in Japan at the time who could chat casually over the phone with such individual as former U.S. Secretary of State Henry Kissinger and former British Prime Minister Margaret Thatcher.

Sony's name grew legendary with the worldwide hit of the Walkman and the **acquisition** of Columbia Pictures Entertainment Inc., now Sony Pictures Entertainment Inc. In the United States Morita's 1986 book *Made in Japan* (which was written in English with the journalists Edwin M. Reingold and Shimomura Mitsuko) became a bestseller, and Morita was recognized as a figure representing the Japan of the latter 1980s, at the peak of its economic prowess. Americans paid close attention to the statements of this man who confidently laid out his views in English.

In discussing Morita's character as a businessman, one more aspect that cannot be left out to of the picture is a study group he founded in July 1977. The previous year saw the birth of the New Liberal Club, founded by legislators who broke away from the long-ruling liberal Democratic Party with the aim of creating a new conservative force free from corruption. Many were tired of the **hackneyed** maneuvering among the factions of the LDP sense of crisis dominated Japan as people considered the possibility of the LDP's unpopularity leading to a takeover of the government by the leftists. Frustration was also rife in the

### Key Terms:

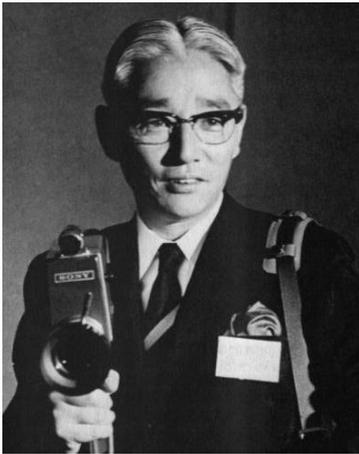
**(The) Diet:** the legislative body of certain countries

**Innovative:** introducing or using new ideas or methods

**Enterprise:** a business organization

**Sounding an alarm:** to alert other people about something dangerous, risky, or troublesome

**Lament:** to express sorrow, regret, or unhappiness about something



business world, particularly among young businessmen, toward the unshakable authority of elders.

Morita called on politicians and businessmen in their fifties and below to organize a study group, and thus a monthly breakfast gathering was begun with some 50 members, including 11 **Diet** members belonging to the LDP and others from bureaucratic, academic, and business circles. Among the guests who attended this gathering were such distinguished figures as Henry Kissinger, former U.S. Secretary of State George Shultz, and former Economic Minister of West Germany Otto Graf Lambsdorff. Morita took pride in this, saying, “This is the one gathering where, if I

ask, key people from all over the world will show up.”

It probably was Morita's patriotic spirit that led him to found the study group. In explaining its purpose he said, “Japan's economic policies always tend to be slow in coming. We should get the younger generations to come out with bold measures.” But this was his public position, his true desire clearly being to raise a crop of politicians who could take on leadership in the coming years. True to Morita's spirit, several prime ministers have already turned out from among the former members of the group: Takeshita Noboru, Kaifu Toshiki, Miyazawa Kiichi, Hata Tsutomu, Hashimoto Ryūtarō, and Obuchi Keizo. If Morita had safely stepped up to the post of Keidanren chairman, there is no doubt that his connections with these political leaders would have been of great service to him. But perhaps it is superficial to think that Morita set up the group with his own worldly advantage in mind.

### **MAN WITH A MIDDLE NAME**

It is well known that Morita was born to a family that has been carrying on a sake brewery business for 300 years in Tokoname, Aichi Prefecture. There is another side to his family's history, however. Morita's great-great-grandfather opened a private school in his hometown and devoted considerable effort to education, much like his friend Fukuzawa Yukichi (1834–1901), who founded Keio Gijuku—the predecessor of the present Keio University.

If one were to succinctly describe the path Morita Akio followed, the nineteenth-century phrase *wakon yosai* (Japanese spirit, Western learning) would be just the expression. When asked for his signature in the United States he would often sign “A.K.M.,” and his U.S. license-plate number was “AKM 15,” the initials standing for “Akio Kyūzaemon Morita.” Japanese people very rarely have three names, but “Kyūzaemon” had been passed down as the name of the head of the Morita family for 15 generations. The fact that the surname goes back so far is in itself unusual. The Moritas were among the few non-samurai commoners granted the right to bear a surname—and a sword—during the Edo period (1600–1868). In addition to this long strain of Japanese tradition, the house of Morita also had an **innovative** strain, having, for example, hired French people and set out to make wine early in the Meiji period (1868–1912). Both must have been running in his blood.

The listing of Toyota Motor's shares on the New York Stock Exchange at the end of September 1999 made news in Japan. It was more than 30 years ago, however, that Sony overcame the tough institutional barriers that lay between Japan and the United States to become the first Japanese company to have its stocks listed on the NYSE and started directly and broadly raising capital overseas. Sony thus played a big part in opening up the way for other Japanese **enterprises** to follow.

Both his 1966 book *Gakureki minuyo ron* (Never Mind School Records) and “No” to *ieru Nihon* (The Japan That Can Say No), the book he coauthored in 1989 with Ishihara Shintaro, now governor of Tokyo, were considerable attention-getters.” Both were Morita’s way of **sounding an alarm** against the tendency of Japanese people to confine themselves within existing conventions.

Sony President Idei Nobuyuki mourned the death of Morita with the following words:

Mr. Morita was a remarkable communicator, which is an exceptional trait for a Japanese, and he captivated the attention of everyone he came into contact with. In addition, he considered it his life’s work to promote a better mutual understanding between Japan and the rest of the world. He went out of his way to help ease economic frictions between the United States and Japan, and strove for the realization of a fair society for companies to compete in. It is

not an exaggeration to say to that he was the “face of Japan.”

Looking back on Morita’s achievements, I cannot help but **lament** the loss of an individual who, had he assumed the role of leader of the business world, might have created quite a different Japan.

### *Comprehension Questions*

1. Why did Akio Morita have to stop his public appearances?
2. How did Morita differ from typical Japanese people when it comes to expressing one’s opinions?
3. How many names were stored in Morita’s “friends list” and where did over half of these contacts come from?
4. What was Morita’s true purpose in founding his study group of politicians and businessmen?
5. What Japanese phrase best describes Morita’s path in life?

### *Reflection Questions*

1. As the article mentions, older Japanese businessmen viewed Morita with negative sentiments and thought of him as a show-off. Do you think their views were appropriate during the age of internationalization in the business world? Why or why not?
2. What is one thing that you take away from Morita’s leadership after reading this article?

### **Source and Additional reading for those interested:**

“Akio Morita. Guru of Gadgets” by Kenichi Ohmae

(<http://content.time.com/time/world/article/0,8599,2054099,00.html?iid=sr-link1>)

Akio Morita Library (<http://www.akiomorita.net/en/index.html>)

“If Morita Akio Had Become Japan’s Business Premier” by Hanada Hideji

*Made in Japan: Akio Morita and Sony* by Akio Morita, Edwin M. Reingold, and Mitsuko Shimomura