

The Leader's Guide for Social Responsibility

# THE LEADER'S GUIDE FOR SOCIAL RESPONSIBILITY

*Creating a new and powerful organization*



by Norman Bodek  
assisted by Ahmed Avais and Christophe Makni



**The Leader's Guide for Social Responsibility**  
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# Dedication

I dedicate this book to my wife, Noriko Hosoyamada, a doctor of Chinese Medicine. I appreciate her medical skill, her amazing cooking ability; truly a great chef, her ability to keep things in order, her support and her patience in fully tolerating the "crazy" things I do.

I want to thank Todd Michael Altstadt for his assistance in checking the references cited, to Gene Levine for designing the cover, to Ahmed Avais and Christophe Makni for their assistance in creating this book and in designing the social responsibility workshop. Also, I thank Paul Akers, John Bernard, Kazuo Inamori, Christophe Makni, and Kazuyoshi Hisano for their very interesting material.

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# Foreword

*"God does not make mediocre people. God makes only geniuses." - Lou Tice*

Because of the pandemic coronavirus, as I write this, we are going through a health crisis which could be the most challenging moment for us since World War II. Over 2,472,062 people, worldwide, have been affected, 170,133 died, close to 20 million Americans out of work, with Industry shutting down, restaurants are closed, public events are closed, schools are closed, borders are shut down; we are told to stay home; millions more could die, and our future seems to look bleak.

It is bad, tragic; our political leaders have handled this very badly by not anticipating our medical needs. But humankind has gone through all kinds of disasters in the past and we have survived.

*"The State Department on Thursday issued an extraordinary advisory urging Americans not to travel overseas and to return to the United States if they can, a move that comes amid concerns about the coronavirus pandemic.*

*The Level 4 travel advisory for all international travel appears to be unprecedented and is the most severe such warning issued by the department."*

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Symbolically, Phoenix<sup>1</sup> rises out from the ashes and allows us to make a better world as we rise out of this virus confrontation. Yes, it is a bad time for us, an unexpected very bad time, but I want you to also see this as an opportunity for us to change our past behavior. It can be an opportunity to create a new and exciting world. It can be a new opportunity to improve the quality of work life for others and for yourself.

My wife Noriko is reading a Japanese book, *Road to Success that Brings Miracles to Your Life*, by Yasushi Ohno, printed in 2016, he states that enormous changes will happen in the world in 2020. Ohno writes that for the past 3000 years people have been led by leaders, rulers, but that the year 2020 will bring a new world where people will become more autonomous and start to learn how to rule themselves. This is amazing!

Last year, 2019, 181 of the top 200 CEO's in America, members of the Business Roundtable, made a new commitment to have their organizations become more

<sup>1</sup> Phoenix, a mythical bird from Greek and Roman legends, represents transformation, death, and rebirth in its fire. As a powerful spiritual totem, the phoenix is the ultimate symbol of strength and renewal.

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socially responsible to serve their customers better, to serve their employees better through training and skill building, to have better relationships with their suppliers, to be more concerned with their communities and the environment and also to think more long-term to serve their investors well. Look, the trick is to improve social responsibility and still remain successful. We know that you can do it.

This is a dynamic shift from the past focus almost exclusively on profits. We applaud and welcome this important change at this momentous time.

We will surely get through this virus pandemic and this new commitment from America's corporate leaders allows us to look freshly at how we do business. What is the purpose of our company? Why are we in business? I believe the leader now should become a coach focused on helping people to develop themselves and to really become more autonomous.

In the past, it might have been profits only for the shareholders, but that did not give much excitement to most of us. Yes, work should be a place that fulfills us, a happy experience, a place where we can grow our skills and capabilities, make a nice living and also to serve others.

Prior to 1900, people were fundamentally farmers or highly skilled trades people. Then along comes Frederick Taylor and Henry Ford with the simplification of work. Skill is virtually gone; people on the assembly line doing boring repetitive tasks. Ford from the new system became one of the most successful companies in the world and a model for every other company. We dehumanized work and the companies became rich. However, few people had choices. They needed the work to make a living.

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Strangely, maybe we can view the virus as a good thing if it gets us to change the very nature of work and to get us more focused on creating a better world for us all. People are capable of doing amazing things. They only need capable managers to help them discover and develop the talent within them.

We have been destroying this precious earth and maybe the virus is shouting back at us to "stop." Here in this book you will see wonderful examples of what companies are doing to help and stop the hurt.

Of course, you need profits to survive. But we feel you can do both good, be more socially responsible, improve your value to your customers and also sustain your profits.

The author of this book has over 40 years' experience studying the world's best companies, published over 250 management books, 100 were Japanese translations from great geniuses including Taiichi Ohno and Shigeo Shingo, creators of the Toyota Production System (LEAN), ran close to 100 conferences each with an America CEO as keynote, learned from and met with W. Edwards Deming, Joseph Juran, Phil Crosby and dozens of other great American management Gurus, and also ran the first Kaizen Blitz<sup>2</sup> at Jake Brake, a Danner Company, etc.

To lead this change effort, I first want you to recognize that almost everyone is a "*creature of habits*," living in their "*comfort zone*," and almost every person resists going beyond self-imposed barriers. Please recognize those limitations are only self-created and that we all, with effort, can go beyond them. We are here to help you.

<sup>2</sup> Danaher prior to the Kaizen Blitz had sales of around two billion dollars. They did 17.91 billion in 2019.

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We live in a comfort zone where we feel somewhat safe and in control. We often fear going beyond the unknown, the comfort zone. In most companies, there is very little job security. You can easily be laid off or fired if you make a mistake. But when we set ourselves a very high goal, become determined to attain it and are willing to learn new skills to take us there, we almost automatically expand our comfort zone.

This book is a leader's guide to help your organization become more socially responsible. If you can, we recommend you read this book within groups; ask one person to read a chapter and lead the discussions on how you can take the information presented here and apply it in your organization. Reading a book can be helpful but the book only contains information. You need to take that information and apply it.

Of course, you still need profits, without them the company will not survive, but solely focusing on profits has been the demise of many organizations and the world has suffered enormously.<sup>3</sup> What you find in this book, you might already know but were unable to do. Now you have a new mandate. It is up to you to find the best way to accomplish it. **We recommend you just do the right thing!** You know what is right. You know how to treat your customers, your employees, your suppliers and how to improve the environment. Yes, you want to treat others just the way you want to be treated.

We hope as you go through this change process that you will treat your employees better: give them more

<sup>3</sup> Boeing is an example where management decided to save money on making the 737 Max using an old design instead of a new more costly one. Focusing solely on profits has lost Boeing billions of dollars.

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autonomy<sup>4</sup>, encourage them to be more creative, help them learn new skills, offer them meaningful work to do; and challenge them to aspire to grow without limit.

I hope this is a new wonderful journey for us all as we create a better world to live in.

<sup>4</sup> Autonomy - American Airlines this week had 11 people on a plane, virus has reduced people flying; they put all 11 in the back of the plane not allowing them to be separated. Yes, the flight attendants were following the rules created by their leaders, not being autonomous and doing the right things.

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# Introduction

## The Leader's Guide for Social Responsibility

### Creating a new and powerful organization

*"Geniuses are ordinary people who have had nothing subtracted from them." - Abraham Maslow*

In the past fifty years within large corporations, CEO's and their managers have almost been solely committed to producing "profits only." In August 2019, 181 top managers out of the top 200 corporations, members of the Business Roundtable, signed a new commitment to become socially responsible and to serve all "stakeholders,"(customers, employees, suppliers, community/environment, and shareholders,) better.

"Wow," what an amazing commitment! "Wow," what an amazing new opportunity for all managers - for all employees! Think of what this means to you? Think of what this means to our country and the world. It is a positive step in the right direction.

Now, we accept the sincerity of these executives, but we also feel that they do want those profits, at the least the same and even more. The challenge for you is to be able to do it; to be more socially responsible and to sustain profits. Without profits, an organization cannot survive, but also the earth cannot survive if neglected.

Since most managers, in these past 50 years have been focusing on profits, it might not be that easy to make this significant shift. We intend this book to be a guide to help you

## 2 Sustaining profits and doing the right thing!

do, "What is right?" You know what is right! But your hands have been tied. Now, you have a new opportunity to do what is right for all stakeholders: customers, employees, suppliers, community and your shareholders.

We feel that you can be more socially responsible and even to sustain your profits. Surely, customers will pay for value; employees that are taught new skills will create additional value; better relationships with suppliers can reduce costs, add to innovation and add value; the community and the environment dearly needs this shift and will support you; and the shareholders will benefit.

This book is filled with ideas to help you succeed successfully on this new journey. These ideas come from some of the best leaders, managers, consultants, and teachers, from throughout the world. As you read, just pick those ideas you like and feel capable of using. Take notes as your read or just underline. Then relook at them, share them with your associates, add to them and then select the best ones to get you started.

Imagine, envision, how the future can be for you and your organization. As a first step, write what you would like to see in the future of your organization that benefits all stakeholders. And as you read the book, use a check list and enter those items that you would like to implement to create your new company:

Idea	Now	Soon	Later
1. Learn how to ask customers	6-1		
2. Set up a mistake board	6-3		
3. Get a coach		8-1	
4. Review our Lean process			9-1

5.			
6.			
7.			
8.			

**Create a great future:**

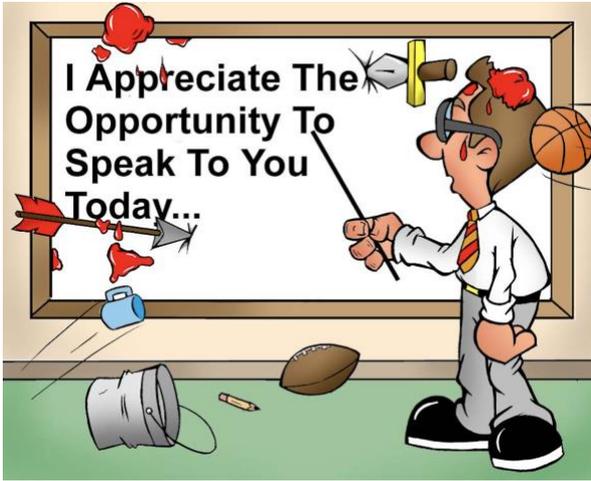
*"1. Imagine that you are already living in the future whereby you have already succeeded in delivering the new vision to be socially responsible.*

*2. Have complete faith and trust in your staff and yourself that you have the skill, or you will acquire it to do the job right.*

*3. Get involved with more people. Be with people who are already there." - Kazuyoshi Hisano, author of the new book, "CEO Coaching Theory of Thinking and Action to Increase Annual Sales by 100 Times," to be published in English this fall.*

#### 4 Sustaining profits and doing the right thing!

"Let me propose a few changes"



**Change is not easy**

## Chapter I - A New Beginning

A significant, historical, shift is taking place in American industry. For the past 50 years large American corporations have focused primarily on making profits virtually ignoring the social needs of our society. But a new spark has been ignited by Lawrence Douglas Fink, an American financial executive, chairman and CEO of BlackRock, an American multinational investment management corporation. BlackRock is the largest money-management firm in the world with more than \$7.4 trillion in assets under management.



Larry Fink | BlackRock  
blackrock.com

In 2018, Mr. Fink wrote to his clients and told them that they must now become socially responsible. On August 19, 2019, they responded. The Business Roundtable issued an open letter titled “Statement on the Purpose of a Corporation.” One of the preeminent business lobbies in the United States, the Business Roundtable (BR) includes the CEOs of leading U.S. companies from Apple to Walmart. 181 signatures out of the top 200 CEO's in America wrote a one-page declaration that ended as follows: “Each of our stakeholders is essential. We commit to deliver value to all of them, for the future success of our companies, our communities and our country.”

"While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders. We commit to:

- **Delivering value to our customers.** We will further the tradition of American companies leading the way in meeting or exceeding customer expectations.
- **Investing in our employees.** This starts with compensating them fairly and providing important benefits. It also includes supporting them through

## 6 **Sustaining profits and doing the right thing!**

training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect.

- **Dealing fairly and ethically with our suppliers.** We are dedicated to serving as good partners to the other companies, large and small, that help us meet our missions.
- **Supporting the communities in which we work.** We respect the people in our communities and protect the environment by embracing sustainable practices across our businesses.
- **Generating long-term value for shareholders,** who provide the capital that allows companies to invest, grow and innovate. We are committed to transparency and effective engagement with shareholders.

Each of our stakeholders is essential. We commit to deliver value to all of them, for the future success of our companies, our communities and our country." - Business Roundtable

Our goal in this book is to help all leaders and managers to fulfill this new commitment.