

**How a Japanese Company Can Develop and Maintain  
Individual-oriented Sales Organization :  
Does a Teal Organization Really Matter in Japan?**

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# **How a Japanese Company Can Develop and Maintain**

## **Individual-oriented Sales Organization :**

### **Does a Teal Organization Really Matter in Japan?**

#### **ABSTRACT**

Over the years, Japanese companies have been known for their strong teamwork. However, currently, Japanese companies are required to utilize the abilities and characteristics of individual talents in organization, not just applying teamworks. In 2014, Frederick Laloux published a book named "Reinventing Organizations (Teal organization in Japanese book title)", which focuses on the degree of freedom and growth of individual talents in organizations. The book has sold all over the world, and over 100,000 copies have been sold only in Japan. This shows that there is a lot of attention in Japan about organizations that utilize individuals. However, while there are research articles on identifying individual-oriented organizations, there has been no discussion on the elements for developing and maintaining this type of organization in the sales force in a Japanese company. In order to extract the elements, we interviewed with the target companies and made propositions based on these commonalities. These propositions showed differences from traditional organizational learning models and allowed us to extract elements unique to individual-oriented sales organizations. Therefore, this study provides valuable suggestions for companies and sales managers

as Japanese companies build their individual-oriented sales organizations in the future.

**Keywords:** Utilizing Individuals, Teal Organization, Sales, Organizational Learning,  
Individual-oriented Sales Organization

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## 1. INTRODUCTION

Over the years, Japan's teamwork has been in the spotlight.

According to Ota (2017) Japan has long been known for its strength in teamwork, and has introduced excellent products to the world by virtue of its employees' diligence and teamwork.

Also, according to Ahmadjian and Schaele (2015), the source of competitive advantage for Japanese companies is a set of integrated practices such as long-term commitment, teamwork, job rotation, and worker empowerment. However, with the development of information technology and globalization, machines have replaced many of the jobs that have traditionally been done by humans. As a result, the value of Japan's once-strong and high level of uniformity among the employee labor force has declined. In the future, human skills and qualities such as creativity, innovation, sensitivity, and unique individuality will be increasingly important (Ota, 2017) . In the U.S., managers and professionals are more likely to work independently of each other, and worker's performance depends on their own ability and effort. However, Japan's strong sense of group consciousness can prevent individuals from fulfilling their potential (Ota, 2017) . In this situation "Reinventing Organizations", an introduction to how organizations utilize individuals was published in America. In 2018, a translation of "Reinventing Organizations", "Teal Soshiki" (Teal organization) was published in Japan. "Teal Soshiki" (Teal organization) has sold more than 100,000 copies in Japan since its release F.

Laloux's (2018) "Reinventing Organizations" (Teal organization) is an organization in which each employee has autonomy, initiative, and makes decisions based on the rules and structures of the organization. According to Hattori (2018) of Kobe University, a central figure in organizational theory, in the 1960s, issues of individual freedom, "happiness" and "growth" were placed at the center of management studies. However, he states that in the process of scientific development and changes in business thought, these issues were forgotten. He stated that this discussion of the value of respecting the freedom and well-being of the individual in an organization is a characteristic of Teal's organization and the value of his argument.

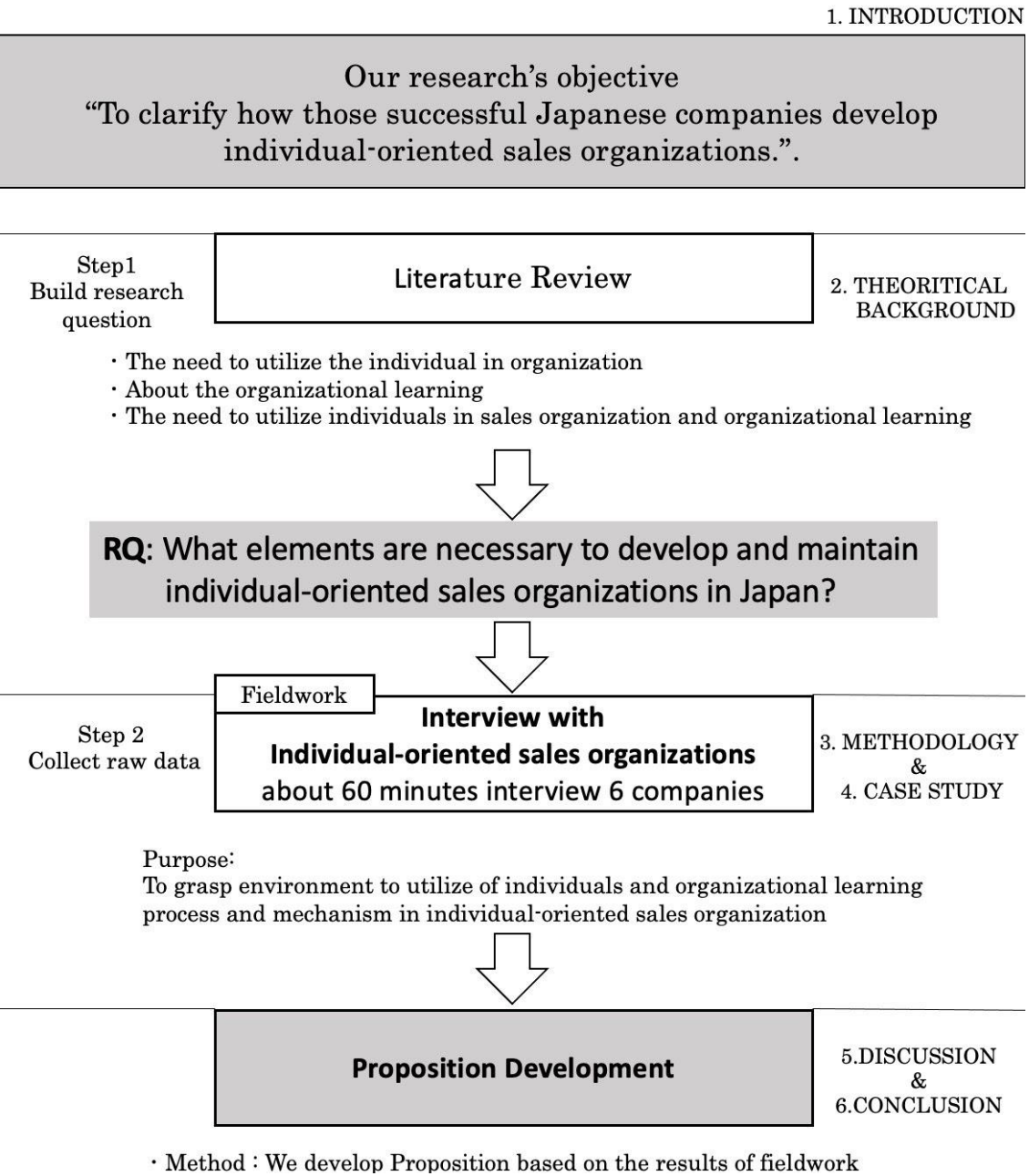
This shows that there is a lot of attention in Japan about organizations that make use of individuals. The need to make use of individuals' abilities and the interest in organizations that make use of individuals has increased. Therefore, we consider that organizations that make use of individuals are necessary in Japan.

Research on organizations that make use of individuals has been mainly discussed in R&D. However, sales activities are conducted outside the company, and sales situations are (extremely) diverse depending on the customers and environment, making it difficult to use a common sales approach (Takashima, 1999). In addition, about one-third of the target achievement rate in sales depends on the basic activities of individual salespeople and the organizational structure that allows the overall work to converge on individual salespeople (Tamura, 1999). In other words, it is difficult to use common

methods in sales. Furthermore, the achievement of sales goals is dependent on the individual salesperson. Based on the above, there is a need to make use of the abilities of individuals in Japanese companies, especially in sales organizations. However, there is almost no research on sales organizations making use of individuals. For a long time, the importance of sales in companies has been discussed. Sales is the key to the success or failure of a company (Onzo,1995). In addition, the role of sales is the link between companies and customers, and the role increases in importance (Motosita,2016). However, there has not been much research on sales, and sales research topics have been limited in Japan. In spite of the importance of sales activities, there is not a high level of interest in research on sales (Ishii 2012). In addition, recent research on sales has not studied organizational design to effectively make use of the knowledge and capabilities of organizational members (Tsutsui, 2006). In summary, despite the need to make use of individuals in sales research, there has been no research on organizational design and sales organizations that make use of individuals. Therefore, we focus on organizations that make use of individuals and clarify what kind of organizations that make use of individuals are and how those successful Japanese companies develop individual-oriented sales organizations. In order to clarify this, we conduct a literature review, interview companies that make use of individuals and construct propositions. This is also the purpose of the study. Figure 1 is our research flow.



Figure 1: Our research flow



Source : Authors

## **2. THEORETICAL BACKGROUND**

In this section, first, we reviewed a variety of literature to understand how the need to utilize the individual in organization has been discussed. Second, in order to understand the organizational learning methods and processes we reviewed organizational learning. Third, we reviewed the need to utilize individuals in sales and organizational learning. Finally, we built a research question through the literature review.

### **2.1 The need to utilize the individual in organization**

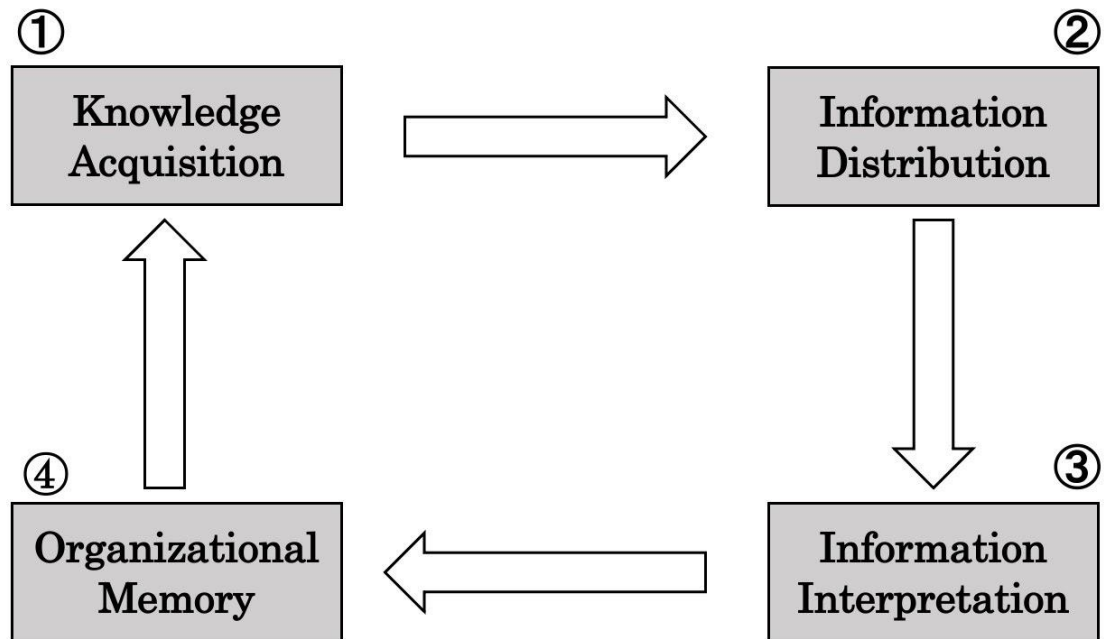
We explain that the need to make the most of the individual in organization. According to Tanaka (2004), value creation is required in corporate activities. In this context, individuals are required to have creativity, initiative and independence to create something. Therefore, according to Ota (1998) in order for individuals to develop their abilities and gain a sense of self-realization and achievement, it is important for them to be engaged in important tasks that are closely related to the organization as a whole, participate in the overall decision-making process, and be given greater responsibility and authority. In addition, according to Ogura and others (2013), when diversity is handled well, new ideas can be expected to emerge that are not found in homogeneous groups, and this will benefit the organization. To summarize the above. Utilizing each individual in an organization is necessary for the knowledge creation and development of the organization. According to Urano (2010), there is an argument to be made that for

a company's competitive advantage, it is necessary for employees to systematically use the knowledge they have acquired. According to Shiraishi (2009), when we all learn together as an organization, there are effects that do not appear when we learn individually. Based on the above, learning with everyone in the organization can be more effective than learning individually. There is also a need to organizationally leverage the knowledge of individuals for the competitive advantage of the corporation. Therefore, we reviewed the literature on organizational learning in the next section.

## **2.2 Organizational Learning**

According to Ando (2019) what is important about organizational learning is the learning from the individual. Organizational learning is a learning behavior performed by individuals who are members of an organization to achieve organizational goals. Huber (1991) argues that the organizational learning cycle consists of four sub-processes: Knowledge Acquisition, Information Distribution, Information Interpretation and Organizational Memory.

Figure 2: Huber's Organizational Learning Cycle



Source: Prepared by the author from Huber (1991)

The first stage of organizational learning, Knowledge Acquisition, is the process by which an organization acquires knowledge and information. According to Huber (1991), Knowledge Acquisition is done to find new knowledge that is dispersed and to make it routine in the organization. The process of Knowledge Acquisition is the following two things.

- (1) Learning methods that are acquired from direct experience acquired through organizational activities (learning by trial and error).
- 2) The learning method of acquiring knowledge by observing strategies and knowledge implemented by other organizations (proxy learning).

The learning method (1) can acquire a wide range of knowledge depending on their experiences.

The second stage of organizational learning, Information Distribution, is the process of sharing the information acquired within the organization. (Huber, 1991) And That shared information may become new knowledge subsumed within existing knowledge. But, organizations often don't understand what information is available to them. In some cases, information may be acquired and routinized to make it easier to understand, but it is difficult to grasp the knowledge and information that an individual has. Therefore, it is necessary to think about how to share knowledge in the process of Information Distribution in order to maximize learning. Information Distribution is an important step in connecting the knowledge acquired by individuals to the larger organizational learning.

The third stage of organizational learning, Information Interpretation, is a process where one or more common understanding interpretations are given to the shared information. It also has a direct impact on performance improvement, and influences the evaluation and judgment of knowledge and information that fits the organizational culture (Ando, 2019). One key to the organizational learning outcomes of the shared knowledge is the perspective of how to give legitimacy to the organization rather than how the knowledge can be shared widely within the organization(Ando, 2019).

The fourth stage of organizational learning, "Organizational Memory," is the process

of accumulating knowledge for future use by the organization (Huber, 1991). The "Organizational Memory" functions to store, search, and provide new knowledge and information formed through "Information Interpretation". The knowledge and information stored as "Organizational Memory" is returned to the process of "Knowledge Acquisition". The knowledge is re-stored in the "Organizational Memory" as new knowledge and information, following the processes of "Information Distribution" and "Information Interpretation". In other words, the process of organizational learning involves not only the incorporation of new knowledge acquired from outside the organization, but also the iterative updating of existing knowledge and information. An important part of organizational memory is that everyone in the organization should be able to freely retrieve the knowledge stored in the organization at any time and use it flexibly as needed. In other words, even if the organization has accumulated enough knowledge to meet its needs, it must be able to retrieve it when needed. The next section discusses the need to utilize individuals in sales and give back their abilities and knowledge to the organization.

### **2.3 The need to utilize individuals in sales organization and organizational learning**

In describing the importance of sharing individual learning in organizational learning, the importance of facilitating organizational learning is discussed, especially in sales, where differences in individual competence occur.

Learning is also integral to the strategic renewal of sales organizations (Crossan et al, 1999). Strategic renewal of sales organization requires that the organizations and individuals investigate and learn new ways of doing things by building on what they already know (March, 1991). As Colletti and Chonko (1997) argue: evolution is critical if sales forces are to avoid becoming obsolete. Likewise, evolution is key for a successful sales' turnaround after having become ineffective (Harker and Harker, 1998). Sales personnel may well interpret the same stimulus (i.e., elements in the environment) differently (Walsh, 1988). As the sales environment changes, old institutional knowledge may become obsolete (Colletti and Chonko, 1997). Thus, there may be gaps in what a sales organization has learned and what it should do. As the gaps widen, organizations place more reliance on individual learning (Seely-Brown and Duguid, 1993). Given that sales environments are rapidly changing, the challenge is to attempt to synchronize institutional learning—which tends to exploit past learning— with new learning which occurs at the individual salesperson level (March, 1991). Also, there may be gaps in what a sales organization has learned and what it should do. As the gap widens, organizations place more reliance on individual learning (Seely-Brown and Duguid, 1993).

Based on the above, organizations rely more on individual learning to adapt to changes in sales' strategies. It was also stated that in order to respond to changes in the sales environment, it is necessary to synchronize past and new learning at the level of the individual salesperson. Although there is extensive literature on learning

organizations, virtually no work has examined the connection between organizational learning and individual learning vis-a-vis the sales force (e.g., Confessore and Kops, 1998; Crossan et al., 1999). Subsequent studies have also found that most research in sales has focused on the customer-employee relationship and little research has focused on the learning aspect of individual competence.

## **2.4 Building Research Questions**

Based on the above, while organizational research has shown the importance of utilizing individuals, there has been no discussion on sales organizations that utilize individuals. Therefore, this study will focus on organizations that utilize individuals in sales. The following is a research question. RQ: What elements are necessary to develop and maintain individual-oriented sales organizations in Japan?

## **3. METHODOLOGY**

This is a qualitative study that consists of case studies on a set of target companies. The analysis takes an inductive approach to extracting commonalities from the company interviews in order to clarify elements and mechanisms of individual-oriented organizations. The following subsections outline in more detail the data collection and analyses process.

### **3.1 Method**

In this study, we conducted semi-structured interviews to gather data from the target companies. Case study of a company that has an established individual-oriented



sales organization.

Case studies are most appropriate for the following two reasons. First, these corporate case studies are leading-edge cases. It is necessary to hear the real opinion from the field. Second, the initiatives are not secondary data.

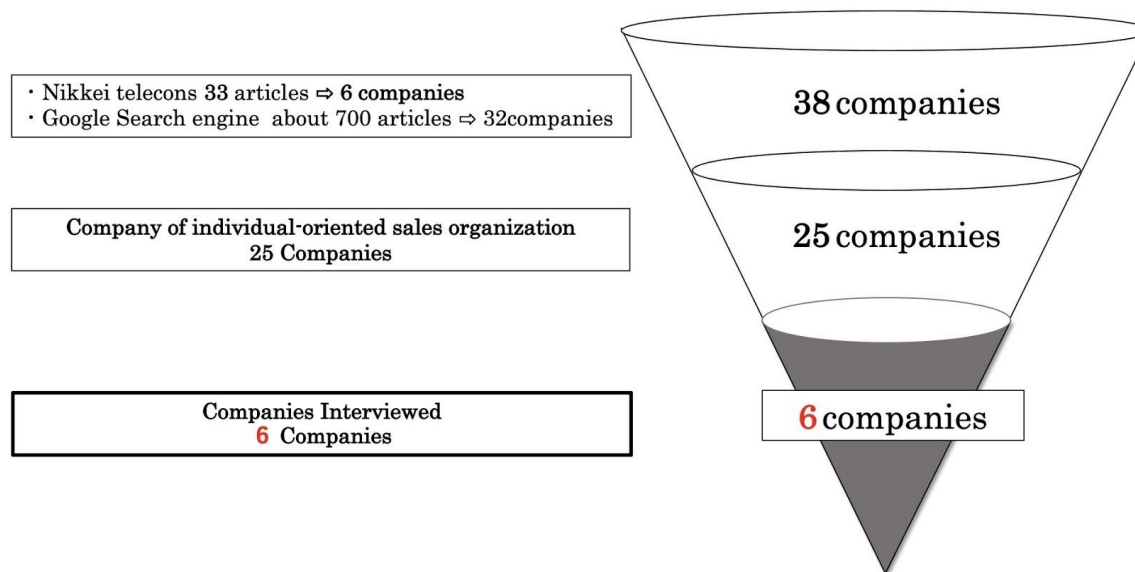
### **3.2 Sampling and Data Collection**

We interviewed companies to clarify what is necessary to utilize individuals in sales organizations. The present study is unique in that it represents the leading case studies that we are aware of that examine structures in place in an individual-oriented organization and how the knowledge acquired by the individual is returned to the organization. These are the elements that have not been clarified in previous research. A company with a sales organization construction that utilizes individuals in this study is defined as an organization in which individuals are free to act on their own abilities. For data collection, semi-structured interviews were conducted for approximately 60 minutes. The interviewer can steer the interview in desired directions to elicit more detail or pursue different threads of inquiry. In essence, the advantage of semi-structured interviews is that they allow for flexibility in responding to emergent questions in the course of the interview (Terashita, 2011). The semi-structured interviews were conducted in this study. Because, semi-structured interviews can ask flexible questions to learn more about the company's initiatives in depth.

Next we explain about the selection of the company. The selection method for the 38

companies to be included in this study is as follows and is shown in Figure 3. It was not easy to select individual-oriented organizations because they are the advanced cases in Japan. First, we extracted thirty-three articles on organizations that utilize individuals from Nikkei Telecom and we reviewed them all. From there, we selected six companies. In addition, we reviewed ten pages with a high relevance for each word, from the Google search engine. Using words are “texi-ru sosiki dounyukigiyō rei nihon” (Teal Organization Introductory Example in Japan), “horakurashi- soshiki kigyou” (Holacracy Organization Company), “ennpawa-mennto seikou zirei” (Empowerment Success Examples), “kenngennizyō seikoukigyou” (Delegation of Authority Successful Companies), “kozinnwoikasiteirukigyou zirei” (Utilizing Individuals Examples), and “ziritubunnsanngatasosiki” (Autonomous Decentralized organization). The population consists of 6 companies selected using Nikkei Telecom and 32 companies selected using the Google search engine, for a total of 38 companies. Secondly, we checked secondary data (website and interview's article) to see if the company has sales or a sales organization from within the company. As a result, twenty-five of the thirty-eight companies were targeted. Due to the impact of the COVID-19, it was not easy to make appointments with target companies. In addition, because sales people are too busy to interview us. Therefore, the interviews with the six companies conducted in this study are very valuable. Most of the interviews were Zoom and some were face-to-face.

Figure 3 : Sample extraction method



Source : Authors

The interviews in this study are of great value for two reasons. First, there are few companies in Japan that have organizational constructions that make use of individuals, such as Teal and Holacracy organizations. Second, there has been little research on sales organizations that utilize individuals.

Next is the question items. First, Q1 is a question to grasp what environment that utilizes individuals in organization. Second, Q2 to Q5 is a question to grasp how the knowledge acquired by individuals is turned into organizational knowledge. Huber's organizational cycle was used to create the question items. Detailed question categories and purposes are listed in Table 1.

Table 1 : Categories and purposes of question

Question Number	Categories	Purposes
1	Environment to take advantage of individuals	To grasp how to take advantage of individuals.
2	Knowledge Acquisition from Individuals	To grasp how they share their knowledge and expertise of individuals with other members.
3	Information Distribution across the organization	To grasp how they share their knowledge and expertise of individuals with other members.
4	Information Interpretation	To grasp how they interpret collected information and expertise as critical knowledge
5	Organizational Memory	To grasp how to utilize the knowledge and expertise across the organization.

Source: Authors

#### 4. CASE STUDY

In the interview, we asked about building an organization that makes use of individuals and the four cycles of organizational learning. The following are the results of those interviews.

Table 2 : Interview result

Company's name	Q1 Individual oriented organizational structure	Q2 Knowledge Acquisition	Q3 Information Distribution	Q4 Information Interpretation	Q5 Organizational Memory
Company A	<ul style="list-style-type: none"> <li>There are no structures or rules that prevent salespeople from making free decisions.</li> <li>There are no personal sales quotas.</li> </ul>	Salespeople are free to acquire knowledge and know-how from information shared within the company.	Sharing with IT tools Verbally shared once a week.	Decisions based on the axes set by all employees	Manage with data Salespeople are free to create new sales ways to implement them.
Company B	<ul style="list-style-type: none"> <li>Individuals are free to create the system they want. If it is good for the company.</li> <li>There are no personal sales quotas.</li> </ul>	Salespeople acquired knowledge in other industries from their side businesses.	Sharing in Groupware Sharing at the workshop	Individuals make decisions based on shared information.	Save to data Salespeople are free to decide on the way of their sales activity.
Company C	<ul style="list-style-type: none"> <li>There are no detailed rules regulating individuals.</li> </ul>	The PDCA cycle is done by individuals. Salespeople can create opportunities to acquire knowledge freely during working hours.	Sales office level : Daily communication Company level: Presenting best practices at twice a year sales meetings	The company doesn't make all the decisions, but mainly the individual salespeople.	Salespeople are free to build their sales style and implement within a set of rules.
Company D	<ul style="list-style-type: none"> <li>There are no personal sales quotas.</li> </ul>	Salespeople are free to work in different departments at the same time. So they acquire a variety of knowledge from their experience.	Sharing with IT tools Sharing in meetings	Individuals make decisions based on shared information.	Basically, all information is saved in data. Salespeople are free to create their own way of selling.
Company E	<ul style="list-style-type: none"> <li>There is an organizational culture that allows for failure. It promotes personal challenge.</li> </ul>	The company provides numerous decision-making experience opportunities for salespeople. This allows them to acquire knowledge and develop themselves.	Sharing with IT tools Sharing at the workshop	The management layer adds importance to the information.	Basically, all information is saved in data. A part of project have systems which allow employees to get information at any time if they access it.
Company F	<ul style="list-style-type: none"> <li>There is an organizational culture that doesn't blame individuals for their mistakes.</li> <li>There are no personal sales quotas.</li> </ul>	There is an organizational structure that does not restrict salespeople from obtaining the various qualifications they want to obtain.	Sharing with IT tools Sharing at the workshop	Individuals mainly make decisions based on shared information.	Basically, all information is saved in data. Salespeople are free to create their own way of selling. Salespeople regularly reviews their failures so that they do not fade away.

source: Authors

**Q1. Structure of an individual- oriented organization**

Regarding Question 1, six out of six companies answered that there is an organizational environment and culture that allows individuals to think and act freely for themselves. For example, Company A answered that there is no structure or rule that prevents individual salespeople from making decisions freely. Therefore, individual salespeople can approach the most appropriate target clients for the company. Company B also allows individuals to fulfill company goals in any manner they like. That is, the company is more interested in results than how those results are attained. Furthermore, there are no individual sales quotas so salespeople are free to acquire knowledge and actively share information without the pressure of having to meet a sales requirement. Companies E and F have a culture of forgiving and not blaming for failure. In other words, it is a corporate culture that promotes personal challenge and growth. This allows individuals to grow by gaining a lot of experience.

**Q2. Knowledge Acquisition by Individuals**

Regarding Question 2, six companies had different methods of knowledge acquisition. Company B answered that salespeople acquire additional knowledge through a second job in other industries. Salespeople work in different industries and understand the business practices and characteristics of those industries. They are able to make quick recommendations that fit customer needs. Company D answered that salespeople can acquire knowledge outside of the sales business because they can freely

work in different departments at the same time. For example, if a salesperson works in both the sales and finance departments at the same time, the salesperson can be strategic in sales by considering costs. Company F answered that the organization does not restrict the salesperson from pursuing the qualifications considered necessary for a salesperson. This allows individual salespeople to acquire the knowledge they need.

### **Q3. Information Distribution**

Regarding question 3, The majority of companies encouraged the distribution of knowledge throughout the company and a work method that emphasized personal freedom. Company A has a culture of sharing information because the company set sales targets as a team, not as individuals. As a method of sharing, the company said that there is a weekly meeting to share expertise. In addition, the company records a video of the top salesman's method and shares it with others. Company C, a manufacturing company, answered that they share success stories of top salespeople at twice-a-year sales meetings. After sharing the stories with the entire company, each sales office shares the success stories. Company D answered that employees have set up a voluntary workshop. Also, the company has an opportunity to share large-scale knowledge quickly, such as across departments once per quarter. In addition, there is a "LT kai" where they actively share what they are doing and the knowledge they have acquired. Company E answered that employees held meetings and shared information. Also, They share their expertise and knowledge with group software. This allows any employee to pull up the

information they need at any time.

#### **Q4. Information Interpretation**

Regarding Question 4, information was interpreted by three main entities: the entire organization, management layer, and individuals. Company A answered that there are multiple axes of information interpretation, which are discussed and finally rationally interpreted by all employees. The company has three axes: the first is individual judgment; the second is whether or not a chosen method has been successful; and the third is the long-term view, i.e., whether the method is necessary for the company in the future. Company C answered that the company was primarily left to the individual's interpretation. Individuals interpret the information based on their previous experience and successful cases, what they need to know and whether it is important to them when approaching customers. Company E answered that the information is primarily interpreted by management as tied to strategy and disseminated with a level of importance without redacting any information.

#### **Q5. Organizational Memory**

Regarding Question 5, six out of six companies answered that companies stored the knowledge and expertise acquired by individuals digitally, and made it freely available to individuals. Company A answered that data is stored and information can be retrieved by anyone. Individual salespeople can create new sales ways to implement them, and they all suggest sales methods and strategies to each other. The methods and strategies



suggested by the salespeople are written down in expertise sheets and updated daily. The companies do not check whether they are using this kind of expertise or not. Each person acts with a sense of ownership, and the company does not force them to make use of the expertise. Company D answered that salespeople are free to sell in a way that works for them because the company values individual learning and personal growth. In doing so, they need to refer to previous success cases and quickly resolve any questions they may have in their work. The company makes use of IT tools that allow them to quickly search customer interactions and information they want to know using keywords like a dictionary. This makes it possible to use the expertise quickly when needed. Company F answered that salespeople sell in a style that suits them based on the knowledge he or she has acquired in an environment where they can learn freely and sell in a style that suits them. Also, there is an opportunity to periodically reflect on instances of failure to avoid repeating the mistakes that have occurred previously.

## **5. DISCUSSION & PROPOSITIONS**

This section discusses the results of the qualitative study in the previous section. Then, propositions are constructed on the basis of the discussion below. First, there was no commonality in the structure of utilizing an individual's capability among the companies we interviewed. However, all the companies included in their corporate culture an active acceptance of what individuals would like to learn. Company B answered that there is an organizational culture in which employees propose what they

want, and if the proposal is good for the company, the company will provide money and time. Company E answered that the company has an organizational culture, meaning that the company's culture is that employees are willing to take on challenges and company does not blame the employees if they fail. In addition, the companies we interviewed have actually frequently adopted the individual's proposals and are improving and changing them daily based on the feedback from other colleagues. In other words, if an individual employee has an idea for their own growth and for the benefit of the company, they can create a new plan or system. In addition, there is an organizational culture that allows employees to try again and again even if they fail.

We reviewed previous research on organizational culture. Previous research has shown that organizational culture can be critical. According to Sato et al. (2004), organizational culture has a significant impact on the structure of the organization. According to Rohit (1989), organizational culture is a shared set of values for the individual to understand the functioning of the organization and the norms of behavior. Organizational culture creates a unique sense of solidarity and encourages collaborative action through a clearing organizational values, goals, and activities. From these results, we developed Proposition 1.

***P1: In order to utilize individuals, a company needs to requisite and maintain an organizational culture that encourages and actively employs individual suggestions.***

In addition, 5 of the 6 companies we interviewed did not impose sales quotas on

individuals and they also had commonality that they had personnel evaluations that included performance measurements that are not based on its sales performance. When companies impose sales quotas on individuals, salespeople are motivated and it leads to individuals building and executing sales methods. However, when individual salespeople are assigned their own sales quotas, they don't share their own information or know-hows because they are so concerned about results that they monopolize the information. As a result, individual salespeople can't acquire knowledge from other salespeople, making it difficult for them to build and execute their own personal sales methods. However, when companies impose sales quotas on their teams, individual salespeople's results do not lead to direct evaluation, which leads to lower individual motivation. To prevent this, the company needs an evaluation system that includes criteria other than sales performance. Company D answered that the company uses a "360 do hyouka", or "360 degree assessment". The company sets certain criteria, and employees evaluate each other based on those criteria. The evaluation criteria do not include how well the individual was able to sell the product. If a salesperson does not share the information, the salesperson is advised by other employees to disclose it in the "360 do hyouka". Company E answered that the company has an evaluation system. Companies also evaluate sales results, but mainly on their contribution to the organization. For example, sales people share their reputable sales practices and knowledge that can be applied to sales. When salespeople achieve results using shared knowledge, companies give marks

not only to the salespeople who achieved the results, but also to the salespeople who shared that knowledge with them. Thus, evaluation of salespeople includes not only sales results, but also evaluation of their contribution to the sales team and sales organization. From these results, we develop Proposition 2.

***P2: In order to utilize the individual, the organization needs to not impose sales quotas on the individual and have an evaluation system including items other than sales results.***

Regarding Knowledge Acquisition, all companies answered that they provided opportunities for individuals to acquire knowledge on their own as a commonality, however each company has a different system for letting individuals acquire their knowledge in a variety of ways. Company B answered that the company allowed employees to have a second job in other industries, and individuals can acquire knowledge from those other industries. Individuals acquired a variety of knowledge from their experiences in other industries and they use that knowledge when selling their products. Companies D and F also had systems in place to promote individual knowledge acquisition.

Company D provides financial support for individual knowledge acquisition. The company pays 80% of the money for individuals to learn and acquire knowledge, so they can purchase books that they are interested in or take courses and seminars that they need to learn skills at the company's expense. In addition, Company F answered that it

has an organizational structure that does not restrict salespeople from obtaining qualifications. Company F has an idea that what is necessary for the individual is necessary for the organization as a result. Therefore, individuals are free to obtain any qualifications they need, even if the qualification is not directly related to their work.

Based on the above, in order for individuals to acquire knowledge, it is necessary for organizations to establish systems and environments that promote individual learning.

From these results, we develop Proposition 3.

***P3: Individual-oriented sales organizations need to have an environment in which individuals can acquire knowledge at their own will.***

Regarding Information Distribution, all companies answered that salespeople share knowledge and expertise acquired by individuals with IT tools. Using IT tools, salespeople easily shared the methods that were well-received by customers with their colleagues. In addition, this information was explained and clarified in meetings and shared via IT tools (e.g., Slack). what was shared in the meetings was agreed upon by cleared and shared via IT tools. Therefore the information can be shared as stocked information as well as flowed information, and anyone can extract the information they need at any time. All companies answered that they provide opportunities during working hours for individuals to directly share the knowledge and expertise they have acquired. An example of this is a workshop, which can be held by individuals. Company B answered that salespeople want to share the knowledge they have acquired in business

negotiations with other salespeople. Therefore, salespeople voluntarily hold workshops. In company E, salespeople share contents that are not yet well known to the public in the workshop. These workshops are often initiated by individuals, and cross department ones are also set up once a quarter. What these companies have in common is that they have an opportunity to proactively share information during working hours. Salespeople share their own success case and expertise and share their knowledge instead of being ordered around. Also, sharing directly to other employees has the advantage of making it easier for them to understand.

Based on the above, Information Distribution requires the use of IT tools and an opportunity for individuals to share directly the knowledge they have acquired during their work hours. From these results, we develop Proposition 4.

***P4: Individual-oriented sales organizations need to share that knowledge using group software and opportunities for face-to-face salespeople to share the knowledge they have acquired.***

The third stage of organizational learning, "Information Interpretation", is found to be different from previous studies. Huber (1991) noted that it was mentioned that the organization determines whether the shared knowledge and information is appropriate for the organization's policies and organizational culture. Information overload interferes with organizational interpretation (Huber, 1991). Also, organizations tend to be less likely to learn knowledge that is out of policy, low priority, or takes longer to

understand (Oe, 2014). Five of the six companies we interviewed answered that each individual decides whether or not the knowledge shared is highly necessary or meaningful to the organization. The results were different from previous studies. Company B answered that essentially all information is shared, everyone receives the information at the same time, and the interpretation of that information is left up to the individual. Company B employees in all positions receive the same information. Also, everyone receives that information at the same time. Company B also leaves it up to individuals to decide which of the many pieces of information they will use, and individuals choose the information they need themselves. Company F also answered that individuals are deciding what knowledge and information they need. To begin with, individuals differ in their abilities and the knowledge individuals need from the shared knowledge is different. This is why individuals make decisions about which knowledge they need. Sales methods vary from person to person and the knowledge required for each is different. In addition, if the information given by the organization is knowledge already in its own possession, that knowledge is not necessary for the individual. Based on the above, in the companies we interviewed, salespeople decided whether or not to use the knowledge and expertise shared by individual employees based on their previous experiences. From these results, we develop Proposition 5.

***P5: Individual-oriented sales organizations need to interpret shared knowledge and expertise by individuals.***

Regarding Organizational Memory, all companies we interviewed answered that companies stored the knowledge and expertise acquired by individuals digitally, and made it freely available to individuals.

Ando (2019) noted that even if the knowledge needed is well stored in the organization, if individuals cannot retrieve the information when needed, it will be a big problem. In other words, it is important that everyone in the organization is free to retrieve and flexibly utilize the knowledge stored in the organization at any time as needed. All companies we interviewed store the information needed for sales activities in data that can be retrieved by anyone. The companies have different methods, but all have established methods for storing and using the information. Company A answered that they store materials and make the information available to everyone. The salesmen discuss other employees about the methods and strategies they create. Then update the information on a daily basis by writing them in the Know-How Sheet. Company D answered that information is stored in data and that there are initiatives in place that make it easier for individuals to retrieve information. For example, they can use their internal groupware to search for information they want to know and use it as if they used a dictionary. Thus, it is not so much about managing information in terms of data as it is about making that information available to everyone. From these results, we develop Proposition 6.

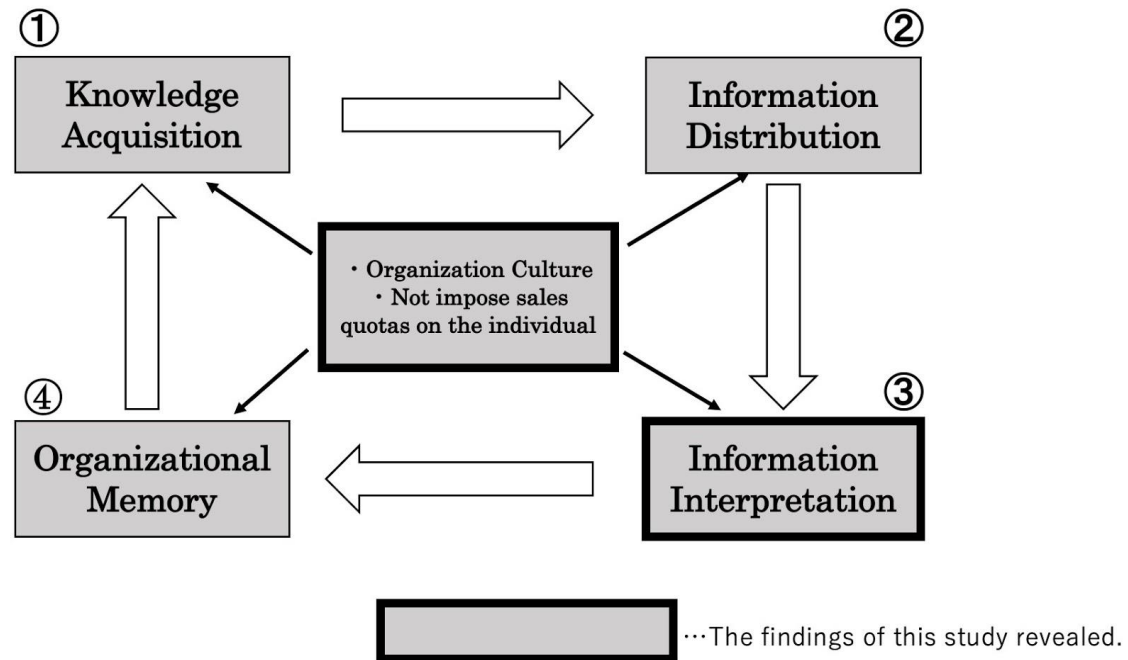
***P6: Individual-oriented sales organizations need to ensure that every employee has***



*access to that information when they need it.*

*Figure 4: An Organizational Learning Model for Individuals-oriented sales*

*organizations.*



*Source: Authors*

## 6. CONCLUSION & IMPLICATION

In this section, the characteristics of this study, its theoretical and practical implication are discussed. The antecedent is that Japan is collectivism and makes use of organizations. On the other hand, American organizations tend to follow individualism and utilizing individual talents. However, with the development of information technology and globalization, machines have replaced many of the jobs that have traditionally been done by humans. There is a lot of attention in Japan about utilizing

individuals in their organizations. Therefore, this study focused on how a Japanese company can utilize the individuals in its sales organization. We discuss theoretical and practical implications below.

Previous research has discussed the necessity of making the most of the individual in Japan. However, it has not been clarified what elements and environments are needed to fully utilize the abilities of individuals within an organization. Furthermore, sales has an important role to play in connecting companies with their customers. In spite of this, research in the field of sales has not been actively studied. Therefore, the novelty and originality of this study, which was developed from the three perspectives of "sales," "making the most of the individual" and "organizational learning" in the study of Japanese companies, is very high. Using Huber's (1991) four processes in organizational learning, we interviewed that individual-oriented organization and found differences from previous research. In previous research, in the process of Information Interpretation, the decision to save shared knowledge as Organizational Memory or not, and the decision to screen out knowledge that was not needed to learn for the organization was made by the entire organization. However, this qualitative study revealed that salespeople are making their own decisions about the information they need based on their previous experience. The theoretical implication in this study is that the process of organizational learning has been different for each organization that have been subject to organizational learning and for individual oriented sales organizations.

This is the significant implication of this study and has novelty and uniqueness.

We made two practical implications. First, it is clarified from this study that an organization culture that encourages and promotes individual suggestions is necessary as the initial conditions. In order to develop individual-oriented sales organizations, it is necessary to create a corporate culture that is established before the establishment of rules and systems. Second, in order for the organization to make use of knowledge acquired by individuals, it is necessary for companies to not decide the knowledge and information needed. It is also clarified that individuals should be able to make decisions based on their own experiences and abilities. These are the practical implications to companies and sales managers.

Finally, we propose future research directions. First, since the number of companies that can be interviewed is advanced and limited in number, future research needs to include more qualitative and quantitative studies with a larger number of companies. Second, in order to develop individual oriented sales organizations, they need to create a corporate culture. However, it is not clarified in this study how to create a corporate culture. These are the directions for future research.

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