

# Hitachi Founding spirit

**The Hitachi Founding spirit is the basic mindset taught to employees by the founding president, Mr. Namihei Odaira. It is summarized by three phrases: harmony, sincerity, and pioneering spirit.**

## **Harmony (Wa)**

The willingness to respect the opinions of others and discuss matters in a manner that is thorough and frank, but fair and impartial, and once a conclusion has been reached, to cooperate and work together to achieve a common goal.

## **Sincerity (Makoto)**

To act with a sense of ownership and honesty at all times and never shift responsibility for your actions onto others. The spirit to meet society's expectations and generate credibility for Hitachi.

## **Pioneering spirit (Kaitakusha- seishin)**

To work creatively, using novel approaches to enter new areas. To always act as a pioneer within our areas of expertise and to have the passion to pursue higher goals beyond our current capabilities.

## 2 Hitachi's approach to quality

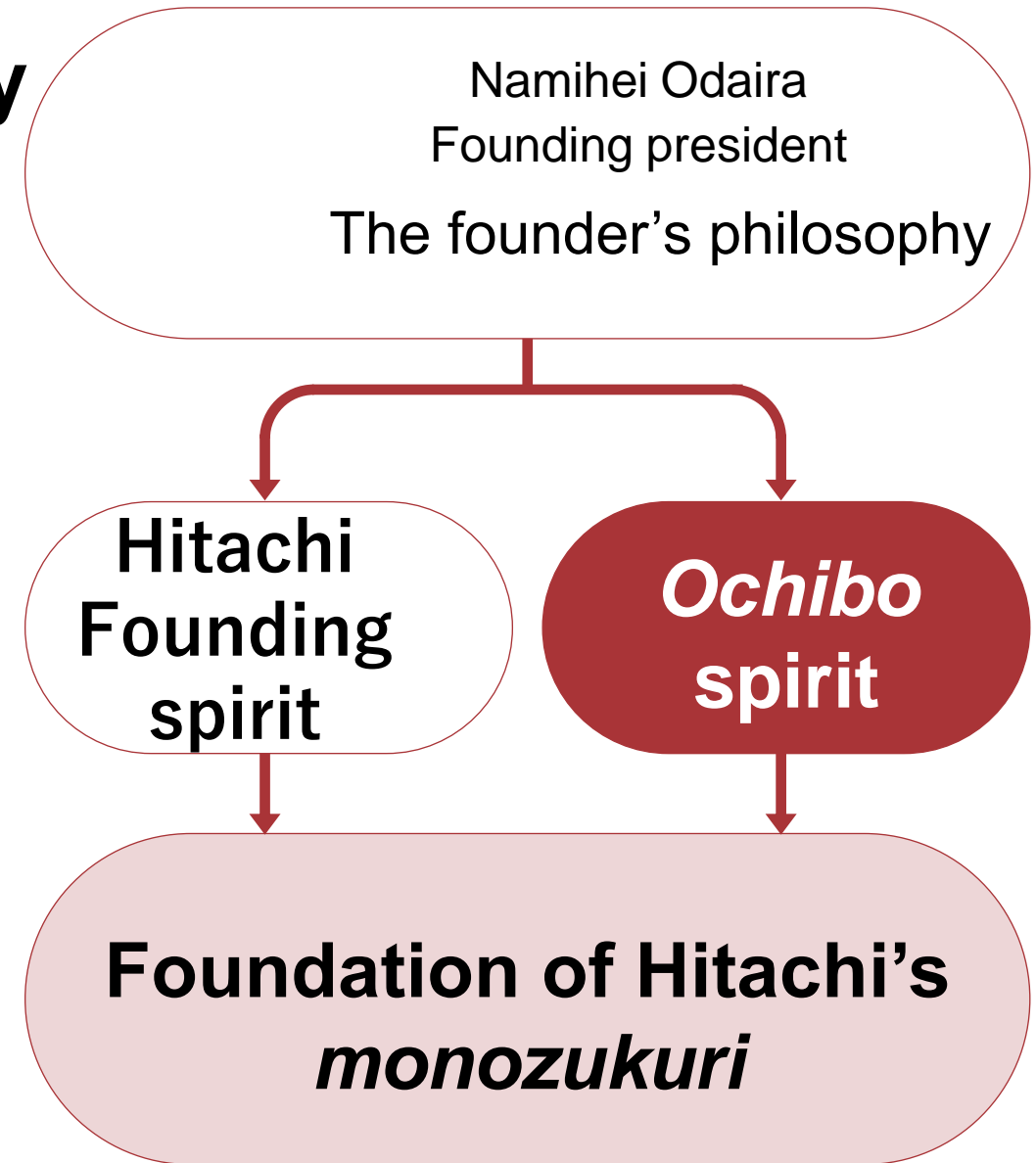
### Passing down the founder's philosophy

Founding president Odaira's founding philosophy has been passed down via two concepts: the Hitachi Founding spirit and the **Ochibo spirit**.

- “**Hitachi Founding spirit**” indicates the stance, attitude, and manners that we should adopt when working as an employee of Hitachi.
- “**Ochibo spirit**” indicates our stance and attitude towards *monozukuri*, in order for our customers to be pleased to use our products.

These have been, and continue to be, the foundation of Hitachi's *monozukuri*.

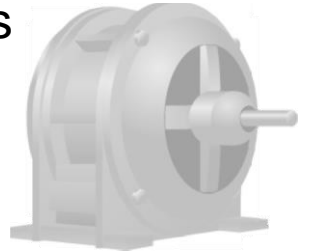
Pronounce moh-noh-zoo-koo-ree



## 2 Hitachi's approach to quality

- 1910 **Hitachi founded—President (and founder) Odaira**

Hitachi began manufacturing motors in Japan (before this all motors were imported from overseas). Mr. Odaira aimed at quality that was as good or better than the quality of overseas products.



- 1951 **Birth of *Ochibo-Hiroi* and the *Ochibo spirit*: Dr. Kumeo Baba (adviser)**

Dr. Baba widely advocated the *Ochibo spirit* to employees, as **Hitachi's approach to quality**. Since that time, based on this *Ochibo spirit*, Hitachi has continued to send products that support social infrastructure throughout the world.

- **Hitachi's current approach to quality**



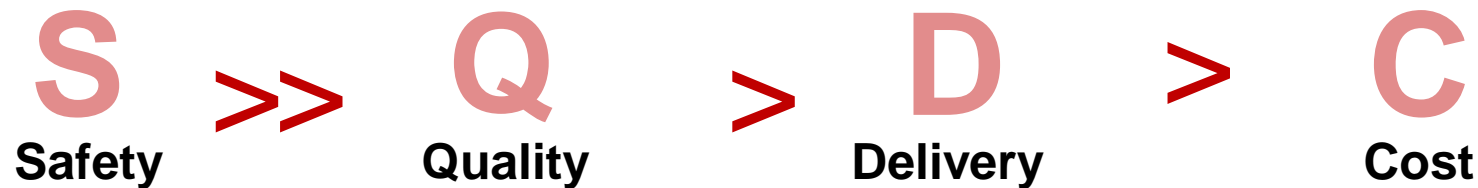
## 2 Hitachi's approach to quality

### What do Hitachi leaders think?

#### Hitachi's philosophy is "Quality First"

Trust is the most important thing for a company, and once that trust is lost, it is not easy to win it back. I would ask that you reaffirm your awareness that the most important things for a company are adhering to "Basics and Ethics," and that "right and wrong" is more important than "profits and losses."

As I have said on many occasions, the order of priorities in our work are as follows:



Safety and Quality are the absolute top priority.

President Higashihara: 2019 Jan. New year's greetings

### 3 Establishment of *Ochibo-Hiroi*

## The person who advocated the *Ochibo* spirit and who started *Ochibo-Hiroi*:

As previously noted, Dr. Baba (Hitachi adviser) advocated the *Ochibo spirit*.

After entering Hitachi, as an engineer Dr. Baba was responsible for engineering design and research. In the latter part of his career, he focused on the education of Hitachi employees, and on activities he named *Ochibo-Hiroi*. In addition, he authored a large number of books and papers and passed on the *Ochibo spirit* to later generations.

**Kumeo  
Baba**  
(1885-1977)

- 1910 Joined Hitachi
- 1947 Retired as senior managing director
- 1951 Returned as an adviser. Started *Ochibo-Hiroi*
- 1966 Wrote “*Ochibo-Hiroi*”

### 3 Establishment of *Ochibo-Hiroi*

## Why did *Ochibo-Hiroi* emerge?



From 1951, Dr. Baba visited customer factories and power-generation plants. He checked whether there were any problems in operating products, listened to the voice of customers, and then thought about whether any lessons could be learned. This was the start of *Ochibo-Hiroi*.

While he visited the customers, beyond problems with the quality of products, he heard many complaints about the human aspects (for examples, attitudes and practices) of Hitachi employees.

Based on this, Dr. Baba then visited various workplaces within Hitachi and instructed employees that they should have an attitude of **thoughtful consideration for customers** and should **trace the causes of quality problems**.

# Opinions from customers around 1951

“Although we don’t have complaints about quality, we do have complaints about the attitudes of Hitachi employees. In particular:”

- 1. Maybe their discussions work logically, but Hitachi employees are stubborn and don’t listen to people. They have an arrogant attitude.**
- 2. Collaboration between departments within Hitachi is insufficient, and it’s unclear which department has overall responsibility. As a result, each time someone from Hitachi visits us, we have to explain the same things over again.**
- 3. The persons dealing with us customers who directly handle machinery treat us condescendingly and are extremely unkind.**
- 4. Our overall experience with Hitachi is that they don’t show sincerity towards us. Therefore, we don’t want to buy new products from Hitachi.**

### 3 Establishment of *Ochibo-Hiroi*

The “thoughtful consideration” spoken of as part of the *Ochibo* spirit is as follows:

**Treat persons (customers and those in the workplace) with consideration.**

- Consider the standpoint of the other party.
- Do what you promise.
- Make efforts to respond with kindness.

**Make efforts to ensure the quality of things (products and deliverables)**

- Think of quality first, and then act.
- In *monozukuri*, take responsibility to finish the work you're in charge of.



### 3 Establishment of *Ochibo-Hiroi*

#### Origin of the term *Ochibo-Hiroi*

Dr. Baba was inspired by the famous painting by Jean-François Millet, called *The Gleaners* in English and *Ochibo-Hiroi* in Japanese. The Millet painting shows three women gleaning, which (in this case) is the act of picking up (*Hiroi*) fallen grains of wheat (*Ochibo*) left behind after the main harvest.

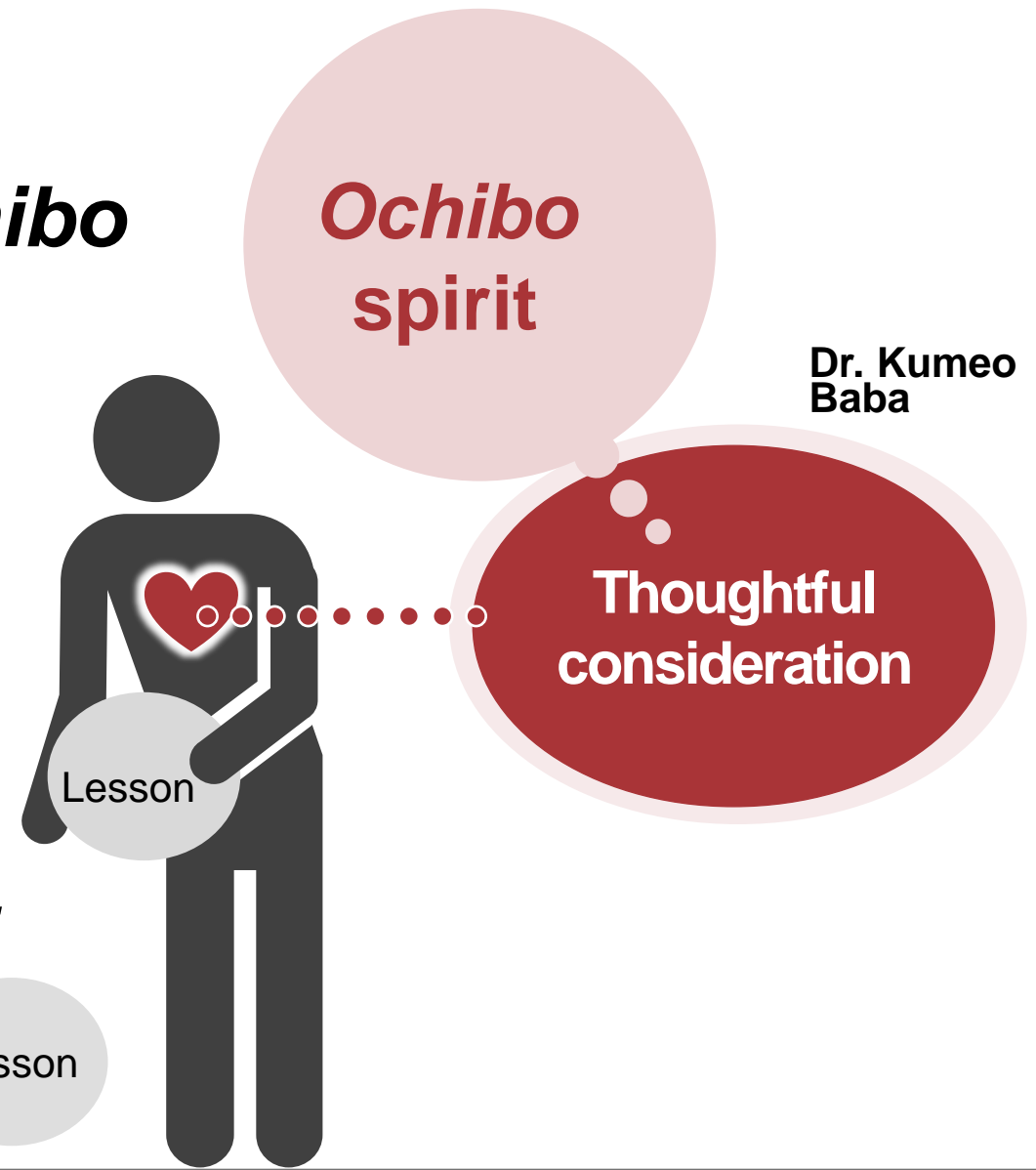
When Dr. Baba first started his activities to trace the causes of quality problems, he referred to these activities by a different term. Later, however, he was struck by the content of this painting, and observed that the behavior of picking up fallen grains of wheat was similar to the act of “picking up experience out of failures.”

As a result, he referred to the activities by the term *Ochibo-Hiroi*.

## 4 What is the *Ochibo* spirit?

The relation between the *Ochibo* spirit and *Ochibo-Hiroi*:

The *Ochibo* spirit is the way of thinking and attitudes adopted when performing *Ochibo-Hiroi*.



## 4 What is the *Ochibo* spirit?

After more than a decade passed from the start of his *Ochibo-Hiroi* activities, Dr. Baba wrote “*Ochibo-Hiroi*” in which he discussed the ***Ochibo spirit***, bringing together knowledge from various fields. We will now introduce excerpts from chapters that strikingly express the ***Ochibo spirit***.

Dr. Baba wrote, “I hope that the ***Ochibo spirit*** will develop and advance, and this spirit will continue to be adopted by those who work at Hitachi.”

### “*Ochibo-Hiroi*” by Dr. Baba Extracts from the table of contents

- 1. *Ochibo-Hiroi*
- 2. Don't Try To Sweep Things Under the Rug
- ...
- 5. Always Test Prototypes
- 6. Report Failures and Learn Lessons from Them
- 7. Failures Are the Foundation for Learning Lessons
- ...
- 9. Do What You Promise
- 10. Standpoints and Opinions
- 11. Put Others First, Before Your Own Desires
- ...



## 4 What is the *Ochibo* spirit?

### Basic concepts of *Ochibo-Hiroi*

(From Chapter 1 of “*Ochibo-Hiroi*”)

The following three points are the basic concepts of *Ochibo-Hiroi*:

**1** Are our actions in the best interests of the other party (whether a company or person)?

Consider the standpoint of the other party and/or customer, and then act. Listen to what others have to say, without being stubborn.

**2** Are we taking customer criticisms about our products seriously and responding to customers sincerely?

Listen carefully to the customer. Don't insist on reasoning centered on yourself.

**3** Is there any reason people outside the company might feel like we are not doing what we said and are making empty promises?

Make sure your actions match your words. Do what you promise.

## 4 What is the *Ochibo* spirit?

**Don't Try To Sweep Things Under the Rug**  
**Report Failures and Learn Lessons from Them**  
**Failures Are the Foundation for Learning Lessons**

(From Chapter 2 of "*Ochibo-Hiroi*")

(From Chapter 6 of "*Ochibo-Hiroi*")

(From Chapter 7 of "*Ochibo-Hiroi*")

In *Ochibo-Hiroi*, the most fundamental aspect is honesty. Without this, nothing can be established. To put it simply, we must adopt the fundamental attitude of "**Don't Try To Sweep Things Under the Rug.**"

**1st phase: Honestly admit to the failure.**

**2nd phase: Use the experience of failure as a useful method to improve and advance technology**

**3rd phase: Make sure that others don't repeat your failure.  
(Be kind. Show thoughtful consideration.)**

Treat failures as valuable experiences and advance technology by analyzing the failures. This is "**Failures Are the Foundation for Learning Lessons.**"

## 4 What is the *Ochibo* spirit?

Note: This section is a new summary of some of the content of Chapter 5. of “*Ochibo-Hiroi*” and is not a direct quote from the book.

### Always Test Prototypes

(From Chapter 5 of “*Ochibo-Hiroi*”)

In product development, it is crucial to always test a prototype.

Steps 1, 2, 4, 5, and 6 are ideas obtained from Chinese classics, and summarize important aspects in the flow of research and development. However, in product development, it is important to insert step 3 (test prototypes) between steps 2 and 4.

1	Collect information widely.
2	Debate the collected information from various angles, and understand it completely.
3	<b>Always test a prototype.</b>
4	Use all your knowledge to carefully think about unclear points.
5	Evaluate the prototype and check whether there are any problems.
6	After a policy has been decided, make sure you carry it out without hesitation.

## 4 What is the *Ochibo* spirit?

### Do What You Promise

(From Chapter 9 of “*Ochibo-Hiroi*”)

At sites of collaborative work, such as in company organizations, it is important to **do what you promise**.

**What you promise:** Give advance notice, to the other parties related to your work, of the steps by which you will perform your work.

→**Do:** Before the deadline, do what you promised to do.

**What you promise:** Receive an order from a customer, and enter a contract in advance.

→**Do:** Actually, deliver the promised product at the promised time.

If a product was not delivered in accordance with **what you promised** (for example, if delivery was delayed or there is a complaint), strive to **do** what needs to be done so that **what you promised** does not become a lie.



## 4 What is the *Ochibo* spirit?

### Standpoints and Opinions (From Chapter 10 of “*Ochibo-Hiroi*”)

When your **standpoint** changes, the **way you view things** also changes.

While tracing the cause of a product incident, it is not unusual for the customer and Hitachi to engage in mutual recriminations about who is responsible. Even if the result of the recrimination is that Hitachi wins in theory, this result is nothing to celebrate if it means the loss of a valued customer.

When we investigate what happened in various incidents, we find that, in many cases, Hitachi intended to make full use of its knowledge and experience, but Hitachi didn't fully understand the customer's situation, which resulted in the incident. Hitachi workers did not adequately think from the user's **standpoint**.

We must always view things from the customer's **standpoint and** strive to think about what the customer wants.



## 4 What is the *Ochibo* spirit?

**Put Others First, Before Your Own Desires** (From Chapter 11 of “*Ochibo-Hiroi*”)

The attitude of kindness towards customers is weakening. We should deal with customers with thoughtful consideration. For workers to act with thoughtful consideration, I strongly encourage the following principle:

### **Put Others First, Before Your Own Desires**

This means that we should lose our selfish inclinations to think only about what is good for us, and we should adopt an attitude of **thoughtful consideration** and sincerity towards the customer. In other words, we should always think from the standpoint of the customer, not from our own standpoint.

## 7 Summary

The ***Ochibo spirit*** is the foundation of Hitachi's *monozukuri*. Those working in the Hitachi Group should take responsibility for their work, and reflect on and learn lessons from the results.

We should adopt the standpoint of those involved in our work, starting with the customer, and always act with thoughtful consideration.



Where Hitachi was founded  
(Hitachi city, Ibaraki prefecture)