

New Personnel Management System of Kirin Brewery Co., Ltd. (B)

The Nikkei Industrial Journal dated November 17, 1992 carried an article (exhibit 1) reporting the introduction by Kirin Brewery Co., Ltd. ("Kirin") of a rare method of performance evaluation referred to as "positive evaluation of failures." Kirin already had begun to change its corporate culture, taking as an opportunity its declining market share as a result of the aggressive attack of Asahi Brewery's Super Dry brand in 1987. As one part of this change, in 1989 Kirin introduced a new personnel management system, which has, as its main ideas, management by objectives and a method of adding points in evaluating employees' performance (see Case (A)). The recently introduced positive evaluation of failures serves as a way to reinforce the adding points method in Kirin's performance evaluation.

The new personnel management system has been in use for three years. I interviewed Mr. Hideo Chida, general manager of the Personnel Department of Kirin to ask how the system has worked in practice during the past three years and how Kirin will handle personnel matters in the future, including the introduction of positive evaluation of failures. The following is based upon that interview.

1. Preparation of a Guidebook for Management Managers

When Kirin introduced the new personnel management system, an adequate guidebook was not available to the management managers, who were going to practice this system in each department. Also, the core of the new system--"what is expected of management managers"--needed to be more structured. Therefore, in