

# We Abolished Managers

Building a trust-based, autonomous organisation

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# Prologue

## A Unique Organisation Where New Recruits Can Debate with Executives

### What Would You Do if a New Recruit Says, “This Doesn’t Make Sense”?

“Shibata-san, this doesn’t make any sense.”

“It’s completely wrong. We should be doing it this way!”

Saying this plainly to my face with an earnest expression was a new recruit.

In the 25 years since I founded Net Protections, my job title (at least, supposedly) is CEO of the company. I also have 30 years of working life and experience behind me.

What would your reaction be if you were faced with the same situation? If the new recruit had been me 30 years ago, I imagine my boss would have turned puce, shouted me down and stopped me from saying any more. However, hearing these words made the modern-day me think, “Well, there must be a reason for them to say something like that, and there’s likely something to be learned.”

Twenty-five years ago, almost single-handedly I launched BNPL (Buy Now, Pay Later deferred payment service; explained in detail later), turning it into a business not only in Japan but for the first time anywhere in the world. Starting with “NP Atobarai,” a service that lets customers pay for their purchase at a convenience store after it has been delivered without the need for a credit card, the company expanded into new markets and listed on the Tokyo Stock Exchange First Section (now TSE Prime) in 2021. Today Net Protections holds the top domestic share in the BNPL market, and continues to grow and expand, with almost 400 employees around the world.

At the same time, what I feel most keenly is not that I grew BNPL services as a business, but rather that building the organisation into what it is today has profoundly shaped my own personal growth. I’m convinced that it is this personal journey that is the real story behind the company’s growth.

Although I may be CEO, these days I hardly ever give “instructions” as such. Of course, as someone who created the original core business model, and as the company’s leader, I keep myself fully abreast of the services we are developing. But each and every employee operates entirely autonomously. They work in their own preferred way, doing what they want to do, gathering colleagues together, seeking guidance, consulting with others and helping one another.

I find it fascinating and stimulating to take what feels something like a “stroll” through the company, stopping to chat with various employees. All around me, in places of the business I may not have been aware of, new ventures I could never have imagined are constantly emerging and expanding.

The feeling I get could be likened to picking up a manga series you have been too busy to follow for a while and

thinking, “What? The story’s moved on this much? That’s amazing—what an incredible plot development!” What is also incredible is that the employees at the centre of these developments are mostly in their twenties and thirties. Many have only been with the company for two or three years. We also have mid-career hires, of course, as well as people from overseas, women who have returned after maternity or childcare leave, people who work for us only fifty per cent of the time—all kinds of talent. Employees with diverse skills and characteristics cooperate and inspire one another, forming a collective intelligence that generates new business possibilities in a continuous, ongoing chain.

At Net Protections, there are no “managers” in the conventional sense. Internal information is disclosed to all employees to the fullest extent permitted by compliance requirements. Everyone receives performance reviews from their colleagues. This applies to everyone, from new recruits, and to me too.

Moreover, every employee declares not only what they want to do at the company, but what they want to do with their lives, what kind of person they want to be, and how they want to work—information which is shared with everyone. Everyone is in a position to know every other person in detail, and it is on that basis that all employees operate autonomously while helping one another.

People who work at Net Protections have no need to create a “work persona.” They bring their whole selves to work and operate as their own authentic “unexpurgated” selves. Since everyone does this, there is nothing to fear, and no one holds back.

However, we didn’t become the kind of organisation we are today simply by purchasing some kind of pre-prepared package from somewhere. Getting to this point involved numerous twists and turns, as well as very human struggles. That is the first point that I want to highlight in this book.

I no longer feel annoyed when employees tell me something “doesn’t make sense.” I simply engage with every employee as one human being to another. The same is true for all interactions among our employees.

Even so, I have occasionally inadvertently mentioned the Japanese corporate culture I myself once experienced; the one where your true feelings had to hide behind facades, and where speaking your mind would result in a dressing down by your boss for impertinence.

At these times the new recruits respond with a straight face: “But Shibata-san, bosses and subordinates are just an ‘urban legend,’ aren’t they?”

I have to laugh at that. For these employees who joined Net Protections straight out of university, the current state of the workplace feels so natural that they think of bosses and subordinates existing in today’s Japan as nothing more than an “urban legend.”

Yet the very fact that they think this way is powerful evidence that our organisation is functioning well.

## A Unique Organisation Shaped by Twists, Turns and Chance

Net Protections currently describes itself externally as “pursuing the realisation of a ‘teal-style organisation’ based on autonomy, division of roles and collaboration.” The daily scenes I have just described are just one aspect of this type of organisation.

Looking back at Net Protections’ track record in numbers, one might be tempted to sum up our growth as having been consistently smooth.

In reality, however, particularly during the first ten years or so after our founding, I struggled greatly with building an organisation, even as business possibilities expanded. There was scepticism directed at me as CEO, jealousy and backstabbing among employees, and employees suffering because they had to suppress their true selves at work. The content of this book interweaves the following three strands.

- **My personal experiences and the reflections that emerged from them.**
- **The growth and potential of the BNPL (Buy Now, Pay Later) business.**
- **The creation and operation of what we externally call our unique “teal-style organisation.”**

BNPL itself has grown smoothly, in a sense just as I originally predicted. But the path to get here was quite literally a bruising one, where I careened into obstacles on all sides and found myself pushed to the brink on more than one occasion. Twists and turns combined with coincidences to bring us to our current form. That is the honest and unvarnished truth.

Having suddenly become a CEO in my twenties, with no mentor to rely on and no fellow executives to confide in, I devoured management theory, starting with Peter Drucker, and kept on learning. I was desperate to absorb as much relevant knowledge as I could.

I came to this company in 2001. The current organisational structure of Net Protections was largely in place by 2013, and after further deliberations we established the personnel evaluation system “Natura” in 2018.

I will describe that process later in these pages. What troubled me somewhat was how to explain Net Protections’ distinctive organisation and unique culture to outsiders in a way they would understand.

Simply saying “We operate a unique personnel evaluation system called ‘Natura’” conveys precisely nothing. If I rephrased it as “We have a flat organisation,” the problem was that “flatness” comes in degrees, and people’s perceptions differ about what a flat structure is. I was often told in response, “Our company is fairly flat too.” So I racked my brains trying to find a way to explain the uniqueness we had spent so long nurturing.

Then suddenly the term “teal organisation” appeared.

This term refers to an organisational model advocated by Frederic Laloux, an organisational consultant formerly with McKinsey. In Japan, the 2018 Japanese translation of his book, titled *Teal Organisation* (published by Eiji Press; original title: *Reinventing Organisations*, 2014), attracted considerable attention.

“Teal” refers to a blue-green colour, and Laloux explains organisational models using five colour stages. At the apex, or destination, is the teal organisation model, in which the goals and purposes of the organisation and its individual members are aligned, there is no leader, and everyone makes their own decisions and acts accordingly.

Laloux identifies three elements of a teal organisation: Evolutionary Purpose, Wholeness, and Self-management.

In my own simple interpretation, a “teal organisation” is a model in which there are no bosses and no need for them, where each person works at a company whose purpose aligns with their own, without being directed or coerced, proactively and as their authentic self.

## **Going Public as a “Teal-style Organisation” and Delivering Results**

I had prided myself on having read most books on organisational theory, but I was unaware of the original work and first encountered Laloux’s ideas in the Japanese translation. What was written there closely resembled the organisation we were already operating at Net Protections. It felt as though I had found a label ideally suited for external communication purposes. Thanks to the translation being published and garnering attention in Japan, anyone interested in organisational theory could now understand our organisation, simply by mentioning “teal organisation.”

To be clear, this book describes the nature of our organisation at Net Protections, but we did not originally draw on Laloux’s teal organisation theory as a reference.

As will become clear as you read through the pages of this book, we overcame obstacles one by one, thinking things through ourselves and engaging in lengthy debates. We did not suddenly decide to invite Laloux or any other organisational management consultant to come and transform our organisation.

Laloux’s ideas are, after all, a model, and some argue that achieving a teal organisation in a real-world profit-making company is not easy. Having read his work myself, I found the model highly convincing, yet felt it was better suited to non-profit organisations or small groups. I felt that for a company of several hundred or more employees to remain a teal organisation while pursuing profit would not necessarily be a straightforward proposition.

In a sense, I was rather excited to think that, by chance, we might have solved that very challenge.

When Laloux visited Japan, a retreat-style workshop was held, and I attended. The other participants were all executives interested in teal organisations.

During the introductions, I told Laloux, “Actually, our company is operating as a teal organisation and is generating

solid profits....”

Inwardly I had imagined him responding, “How amazing! I’d love to do fieldwork at your company to see how you do it!” and I had prepared various talking points in anticipation. Unexpectedly, however, his reaction was rather subdued. Perhaps my explanation was poor, but I felt somehow let down.

Privately, I concluded that Laloux’s interest in organisational theory might be purely academic in nature. I was keen to talk, so it was disappointing for me....

On the other hand, I did receive an interview request from Corporate Rebels, a Dutch media outlet specialising in organisational theory (<https://www.corporate-rebels.com/blog/net-protections>; Japanese translation: <https://r3s.jp/magazine/jp/net-protections>). Being held up as an exemplar of a world-standard teal organisation felt quite strange, even to those of us actually running the business.

Even though we had not used any model or benchmarked against another company to build our current organisational culture, a specialist media outlet on organisational theory considered us as a rare teal organisation globally, and being a publicly listed company made us doubly unusual. This provided a good opportunity to gain an objective perspective on our own positioning.

## **Executives Demonstrate Greater Interest in “Teal Organisation” than in the BNPL Business**

The reason I have compiled Net Protections’ organisational theory in book form is to answer the various questions posed about the unique organisational culture we have built, while sharing as widely as possible the knowledge we have gained through hands-on practice and built up the organisation.

From time to time I have the chance to chat informally with other executives. On these occasions I explain the current state of Net Protections, covering two main topics: business operations and growth (namely BNPL), and our organisational approach (the practice and operation of a teal-style organisation).

Since they are executives, it is natural that they have a keen interest in business, yet the questions I receive are almost entirely—more than ninety per cent by my reckoning—about our organisational approach.

Admittedly, there are many different businesses in the world, and each company has its own operations. Hearing about the BNPL business we are engaged in may not offer direct benefits to other executives.

On the other hand, almost every executive struggles with organisational issues, and those who do tend to have at least some knowledge of “teal organisation.”

However, there is a world of difference between knowing about something, practising it, and actually operating it to grow a business. That is why I am constantly asked questions like: “Even if your company is a teal organisation, how

do you actually run it?" and "Can a teal organisation really generate profits?"

This book is, in a sense, a collection of answers to such questions.

From my perspective, we navigated various frictions before realising that the world was calling us a "teal organisation." I feel compelled to explain the background to what we achieved, but it cannot be done adequately in a short time. Through this book I hope to trace that long and winding journey as fully as possible, with all its twists and turns.

Students and working professionals interested in joining Net Protections also show strong interest in our organisational approach.

For instance, in investor relations (IR) disclosures, business operations and performance are the main focus, with organisational approach serving only as supplementary explanation of the rationale for growth. In recruitment presentations, however, business and organisational culture are explained roughly equally, with greater interest being expressed in the latter.

This is an extremely important point. It is vital that we recruit people who are attracted to the organisational culture we have built over many years, and who will get on well with the senior employees currently supporting our business.

If the result is that they think "bosses and subordinates are just a Showa-era urban legend," then that is perfectly fine. There is no particular need for them to know conventional organisational theory.

As such, this book is not a guide to our BNPL business.

However, the evolution of Net Protections' teal-style organisation into its current form is naturally deeply connected to the growth of our business, and reflects my personal views as CEO as well as the thoughts of the employees who have gravitated to our company. I will touch on the BNPL business as necessary for explanatory purposes.

To put it another way, if you are interested in organisational theory you can read on without knowing that Net Protections is a BNPL company. For those encountering Net Protections' organisation for the first time, I hope this can serve as a reference case, demonstrating that such a bold company exists and is also doing reasonably well.

These days, old-style Japanese companies are sometimes referred to disparagingly as "JTC" (Japanese Traditional Company). Nothing would bring me more joy than for readers to learn about an example that is the polar opposite of the model in which the owner-CEO acts like a king, bosses act like drill sergeants, subordinates are made to carry out orders without question, and those who voice "unnecessary opinions" or fail to deliver results are punished. In actual fact, I myself was once someone who found myself stifled in just such a company.

If I may be so bold, it is my hope that readers can see us as a sample demonstrating that there is no problem with employees operating this autonomously, and that letting them be themselves and do what they want to do can still allow the company to grow its business properly and deliver results. Thinking about it now, it's as if we have been conducting a grand experiment in organisational culture without anyone asking us to do so.

## Any Company Can Become a “Teal-style Organisation”

This book is built around the answers I have given to various questions about organisational culture, but a dilemma remains, in that the more I try to answer in detail and depth, the harder it becomes to take the conversation forward. At the suggestion of the editorial team, I have therefore set up a separate chapter to address frequently asked questions one by one, in an attempt to deepen readers’ understanding.

But let me give you the conclusion to one question in advance. The question is: “Can a ‘teal-style organisation’ be realised at any type of company, regardless of industry, size, or history?”

Let me say that I believe “a ‘teal-style organisation’ should be achievable at any company.”

To give you an image, think of “a department where everyone gets along unusually well, and is bustling and lively, and full of energy.”

It’s a department with no barriers between superiors and subordinates, brimming with energy and enjoyment, where everyone always speaks their mind, where strengths are leveraged and weaknesses are compensated for, with strong cohesion, where young talent is constantly developing, and which delivers results on top of all that. Surely every company, regardless of size or history, even in stagnant industries, has had at least one such department?

However, when the overall corporate culture is not like that, outsiders view such a department with detachment, regarding it as an outlier, noting, “That department always seems so energetic and happy....”

My sense is that if such an organisational approach can spread laterally, eventually the entire company can become a teal-style organisation.

When asked whether this is truly possible company-wide, my answer is that at least at Net Protections, we have made it work.

For this reason, at the end of the book you will find interviews with employees currently working at Net Protections. I hope that these provide a snapshot of how things at the company look from their perspective, and how their individual lives intersect with Net Protections.

I hope to see a Japan where the stifling, repressive organisational culture can finally be transformed, and where people can act autonomously, raise their voices without fear of consequences, and pursue their own well being and happiness while still delivering strong results for their companies.

We did not become a teal-style organisation overnight, and it was by no means smooth sailing.

However, I believe that the episodes along the way and the insights we gained will be useful for building new organisations at various companies, and I have decided to share them as openly as possible. I see this as a form of social contribution separate from growing our own business. If you find something of value in this book, please feel free to make full use of it. I intend to be as candid as possible in sharing our story.

Note that while we call ourselves a “teal-style organisation,” and although we resemble the “Teal organisation” that Laloux describes in his book and elsewhere, we did not learn from or adopt his model. Therefore, we have deliberately chosen to call Net Protections’ organisational approach not a “Teal organisation” but a “teal-style organisation.” From here on, this book also maintains this distinction.

# We Abolished Managers

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# Chapter 1

## How Our “Teal-style Organisation” Came to Be

### Net Protections: The Leading Company in BNPL

In describing our teal-style organisation at Net Protections, the content and elements involved are wide-ranging, and the timeline is somewhat complex. For those unfamiliar with Net Protections or myself, let me therefore begin by outlining the story, serving as both a company introduction and a self-introduction. I will delve into each topic in more detail later.

I left Nissho Iwai (now Sojitz), which I joined as a new graduate, after three years, and in 2001 moved to ITX, an IT investment company. Shortly afterwards, an opportunity arose to acquire a BNPL business that was then a subsidiary of Nichifutsu Boeki K.K. The acquisition was completed six months later, and I was seconded there. That was the company that would become present-day Net Protections.

Within four to five months of my secondments, I was able to launch a service equivalent to today’s “NP Atobarai.” This is now a business attracting global attention, but we were the first to commercialise it, both in Japan, and probably in the world. I get a real sense that we were five to ten years ahead of the field.

From the outset I sensed great potential in BNPL, but for about three years it struggled to take off. Even so, by around 2004 to 2005 revenues began to increase and prospects for profitability came into view, which we ultimately achieved in 2008.

Simply put, BNPL is a payment service that allows consumers to pay after receiving their goods, without requiring a credit card. Right from the start we believed that this mechanism could be applied to a broad range of commercial transactions. We have offered “NP Kakebarai” (launched in 2011), a B2B deferred payment service, and “atone” (launched in 2017), a membership-based payment service that can also be used for loyalty programmes and marketing; in this way progressively expanding the markets where BNPL can be used year by year. We have expanded not only domestically but also to Taiwan (2018), and we are preparing to enter Vietnam too.

As a BNPL company, we hold the top domestic market share, and in 2021 we listed directly on the Tokyo Stock Exchange Prime Market.

At present, “atone,” our B2C offering that we have been developing since 2016, is showing strong growth. Membership has reached 7.6 million (as of August 2025), and combined with our other services, the annual number of unique users stands at 15 million. The number of participating merchants, both real and online, exceeds one million. We are thus evolving from being a simple payment tool to becoming a marketing tool.

In the B2B domain too, 740,000 buyers use our services, giving us a 72 per cent share of the market. Our “NP Kakebarai” has been adopted by household-name services, and in some cases is used exclusively.

Transaction volume for the fiscal year ended March 2025 was 641.9 billion yen, but there are still many untapped markets. We estimate the B2B market alone to be worth 180 trillion yen. We are confident that we can aim not only for annual transaction volume of one trillion yen, but potentially even ten trillion.

On the other hand, the Japanese market faces inevitable long-term contraction due to the declining birthrate, and an ageing and shrinking population. That is why we are proceeding with expansion into Southeast Asia, starting with Taiwan.

To summarise simply what I have quickly outlined above: Net Protections is “the leading company in BNPL.”

However, the journey to this point was full of countless twists and turns. As a result of these experiences, we have come to share a Mission, Vision and Values (MVV) developed collectively by all employees, and evolved into a unique teal-style organisation. The business growth I described above is not simply thanks to our first-mover advantage in BNPL; I believe we achieved it at such a high level and at such speed precisely because we are a unique organisation. What is more, new businesses are now emerging in a bottom-up process, without any need for me as CEO to give instructions.

## **Frustration That Comes from Being Motivated but Not Being Allowed to Work**

So, how did this come about? Why did we do it this particular way? How do we run a Teal-style organisation? These are the themes of this book. Since everything essentially started with just me, I must first explain a little about myself.

From being a child, I was a “dreamer” who wanted to accomplish something great and become someone who could influence the world. My dream was to solve the world’s energy problems, and to that end, to become a researcher at NASA. However, I found myself having chosen humanities at school, so I then my thoughts turned to becoming a bureaucrat and influencing national policy that way. Looking back now, it never even occurred to me to become a business executive at that time, although my father ran an architectural firm, so I did have a first-hand example of what it meant to be a business manager.

In the end I did not go down the route of becoming a bureaucrat. Perhaps I was influenced by my father’s daily refrain warning against it. Even so, my vague desire to do something big remained unchanged. Among the industries where many graduates of my alma mater, Hitotsubashi University, found employment, I judged that it was the large trading houses that offered the greatest scale, and so in 1998 I joined Nissho Iwai. In my mind I had an image of trading company employees taking the initiative and carving out their own career paths on the global stage. At that time, hardly anyone went straight into a start-up from university.

Upon joining, I felt genuinely motivated. As a trading company, there were dealings with companies all over the world, and I could conceive and develop new businesses involving materials, products and partners from around the globe.

I was asked to submit three placement preferences. I wrote down the department handling Nike, which was a major business at the time; a department dealing with IT technology, which was already beginning to emerge in the late 1990s; and a department handling aerospace, something close to my childhood dream.

However, I was assigned to the “Tobacco Division.”

At that time, the clients were primarily just two companies: JT (Japan Tobacco) and Philip Morris. This was hardly the dynamic image of a trading company I had in mind before joining. To a wide-eyed new recruit, the job seemed to consist of nothing more than passing faxes back and forth for orders. What is more, the Nissho Iwai office and Philip Morris were within five minutes’ walk of each other, so although my intention was to be active on the world stage, my work was in fact confined to an area I could reach without even taking a train—just about far enough to grab lunch. My daily work was done in a matter of minutes, and there were often stretches of two weeks without anything scheduled at all.

In short, I found myself in a situation where I have been sidelined right from the off.

Moreover, I could not feel much pride in the company itself. At university I had been an officer in a large tennis club, serving as the social chair, while also working part-time as a production assistant at a television station for over three years. I started job hunting confident in my communication skills, quick thinking and adaptability. But there was an unexpected pitfall: I had hardly ever had the chance to speak with senior employees at traditional companies—the “stiff older men”—and engaging with them proved difficult. In interviews, things went well when I was talking to people closer to my own age, up to around their thirties, but as the interview stages progressed I soon found myself out of step with the older interviewers. The result was that I could not secure an offer from any of the top trading houses where several of my classmates had found jobs. This became one of several major complexes in my life.

I don’t think there was any ulterior motive in my being assigned to the Tobacco Section at Nissho Iwai, which had effectively taken me in. However, as the work there was so utterly lacking in any interest for me, someone brimming with enthusiasm, I must have come across to my seniors and superiors as at least an annoyance, even impertinent.

During training and also after my placement, as time passed after joining the company, I often could not accept the point of the things I was being taught. I would ask questions like, “What is the point of learning this?” and “Isn’t there a better approach than this?”

It is certainly quite possible that my thinking, as someone who had just entered the working world, was flawed due to a lack of experience and knowledge. Looking back now, I was certainly impertinent. But at the time I was at least sincere, and I genuinely believed I was expressing my thoughts in all seriousness. My actions stemmed from thinking about the challenges facing me and being full of motivation to move things forward.

There were about 100 people in my cohort, but by my second or third year a senior colleague told straight me to my face, “You’re 100th out of 100.” To this day this remains a deeply painful memory.

With the benefit of age, I can see that if I had been in their position I would certainly have been annoyed, so I have no particular intention of criticising anyone.

Even so, it was sad to be criticised not for the content of what I was saying, but for my attitude itself. As a result, my start in working life was a kind of dark age, where I watched from the sidelines as my cohort went on to flourish, while for three years every fax I sent was corrected in red pen.

## **Three Years of Starting to “Operate Autonomously” on My Own Initiative**

In retrospect, although I wasn’t entirely without fault, I remain convinced that:

- **I was full of drive and motivation**
- **I made suggestions when I had questions or ideas for improvement**
- **I was eager to learn new things**

No matter how self-assured a new graduate I may have been back then, from where I stand now, I was still just a kid in many ways. So, the right approach, I think, would have been to value that motivation, and for someone to listen to my ideas while engaging in discussion, let me build up new experiences little by little, and help me discover new things on my own. Motivation, above all, is a precious asset, and in some cases, it can lead to new ideas no one has thought of before.

Unfortunately, however, those three initial years remain etched strongly in my memory as a period when I was simply not listened to. I had this peculiar abundance of drive with nowhere to direct it, which coexisted with the frustration of being ignored.

As I had initially suspected, the Tobacco Section did not have much work. Even if I had been performing flawlessly, it was a department with considerable time to spare. So, I began researching the internet and e-commerce business entirely on my own initiative, creating proposals without anyone’s orders, and submitting them to my superiors. I was particularly interested in auctions and once put together a proposal for a business model close to what kakaku.com is today. However, it was given nothing more than a cursory glance. Looking back now, that is a nostalgic memory.

Still getting nowhere, I once again took matters into my own hands and showed up at an IT-related department and directly requested to be added to the team. At that time, there was not yet a company-wide approach to working on IT-related business, and perhaps they were short-handed, because I was fortunate enough to be added to the team without being turned away.

Thanks to this turn of events, I was able to gain valuable experience in how to work with system integrators, how systems are built and operated, and how to go from concept to development to translation into a business model. However, these were entirely unsanctioned moves on my part, without any official appointment or permission. Looking back, perhaps I was operating in a teal organisation-like manner all of my own volition.

Despite my autonomous activities being obstructed, when I forced myself to operate autonomously anyway, there was something to be gained. That is how I would summarise my self-assessment of the three years I spent at the trading company.

Those difficult memories and bittersweet experiences are certainly connected to my determination at Net Protections today never to crush “impudent” young talent.

## **Building BNPL Alone at First**

Even if I saw myself as operating autonomously, to my bosses and seniors at the time I must have looked like the ultimate oddball, a rebellious troublemaker, and a source of discontent. Eventually, times when I would be berated to my face increased, and I began to want to move to an environment where I could learn about IT-driven business development.

Immediately after joining ITX, an IT investment company, in May 2001, we proceeded with the acquisition of a BNPL business company that had been established just the year before as a subsidiary of Nichifutsu Boeki.

After the acquisition was completed, however, it became clear that although it was a BNPL company in name, it was still very much in the conceptual stage, the business was nowhere near complete, and revenue was zero. This presented a serious problem, and someone had to do something. Since I had originally joined the investment company wanting to gain management experience, I was seconded as a director of the company in November of that year. The original management team was dismissed, and I effectively restarted the company as its de facto leader. Within four to five months of taking up my position, I created the prototype for the BNPL business, and in March 2002 we launched a test service. This is the origin of what is now called “NP Atobarai.”

During this period, I was effectively having to overcome any and all challenges on my own. There were about 20 employees, but none had any knowledge of BNPL, and moreover, because of the acquisition and the dismissal of the previous executives, they were full of suspicion towards me. Apart from one engineer who could handle databases and one person who took on enquiry-related tasks—just two people in total—I had no option but to handle everything else myself.

Everything truly meant everything, in every field. While conceiving the overall scheme, developing the system, processing data, consolidating records, managing deadlines, credit information and credit limits, issuing invoices, and establishing the operational flow of confirming cash-in and cash-out, I also met with lawyers to consult on the legal framework, chased up outstanding payments, and gave thought to how to handle bad debts.

Furthermore, I did everything from finding and recruiting partner e-commerce sites to sales, starting from the creation of explanatory materials. I drafted agreements and contracts with business partners, engaged in negotiations with alliance partners, and worked out all the pricing myself. The same went for launching the corporate website and responding to enquiries. As a director, I also had to manage internal affairs.

It was quite literally a process of groping around in the dark, relying on connections and reaching out everywhere, which involved tumultuous days of intense, gruelling work. I completed the task of translating the concept into a prototype scheme in a single day and worked out the data flow and merchant contract templates in about two hours. There was no time for market research; I had to compensate with imagination, making decisions as I went along through interactions with business partners. Actually, meeting people and explaining or requesting things was no simple matter either. After all, there were no precedents or success stories for BNPL, and no one had the right answers.

## **Days of Being Resented and Bad-mouthing by Employees**

This was how I launched the business in just four to five months. The more I became involved, the more I could sense BNPL's potential.

At the time, there was already clear consumer demand: people wanted to pay only after receiving their goods, concerned that ordered items might not arrive. Yet affordable services to meet this need were extremely scarce. If we could offer this service at a lower fee rate than credit cards, it would benefit both sellers and consumers alike. I was certain BNPL would grow.

In 2002, Shiro Suzuki, who would later become CTO, joined us, bringing to an end my solo burden. From around 2004, revenue streams began to take shape, and I became confident that profitability would come into view if we continued to expand. Rather than hastily pursuing profitability, I made sure not to neglect the necessary investment to secure future market share. If a major company were to notice BNPL's potential and start up a business backed by concentrated resources, we could lose our advantage significantly. So, I deliberately adopted a "submarine strategy" stance, prioritising the establishment of a BNPL foundation that others could not easily follow, while working to establish expertise and collect and analyse data.

With business models taking shape and market growth on the horizon, the next major obstacle was employee motivation.

The fact that only two out of twenty employees were of any help in those early days meant that the great majority of staff did not lend much support. Admittedly, they had been hired by the previous management team, their abilities and experience were untried and untested, and they were mostly in their late thirties to forties. To them, I was a twenty-something upstart who, whatever his connection to the shareholders, had come in and fired the executives who had hired them. It was only natural they would be wary. Building good relationships was of course not easy, and I was constantly badmouthed and gossiped about.

Perhaps as a leader I should have carefully explained things and built relationships where we could work together, but in the midst of my intense workload I had no spare capacity to engage properly with each person. If they had no intention of getting involved in the future of the business, then there was no choice but to have them leave. However, in Japan's employment system where dismissal of employees is anything but simple, explaining the reasons for dismissal to each person step by step was itself an ordeal. Some became furious; others were resentful. In all honesty,

at the time I was even careful not to stand on the edge of station platforms. After coming home exhausted, there were many times when I simply could not stop crying. On a personal level, I had never in my life been so disliked by people, and that was far harder to face than establishing the foundations of BNPL.

## **Struggling to Keep New Employees, Caught between Shareholders and Staff**

There was another problem. Even when I personally selected and hired new talent, once they mingled with the existing staff in their daily work, they would eventually start voicing complaints about me too.

I had years of experience and know-how in recruiting people. The skills I had cultivated recruiting for my tennis club came in useful. I would scout people with a pitch that explained what our company does, that it is fun and full of potential, and that they should come and join us....” But then after they joined, when senior employees kept telling them day after day, “Shibata is strange, he’s so small-minded,” and “This business will never work anyway,” or “You can ignore what that incompetent kid says,” they really started to believe what they were hearing. I had imagined that fresh talent would gradually transform the organisation—like milk lightening black coffee over time—yet no matter who I hired, the internal atmosphere remained stubbornly resistant, with the coffee looking as dark as it ever had.

Moreover, it was not easy to teach people about BNPL, which we were pioneering with no precedent, let alone in a startup barely out of the gates. There were no venture capitalists willing to invest based on BNPL’s potential back then. Fundraising was always difficult, and we could not offer generous terms to our employees. Consequently, the talent pool was limited, and those who joined often fell short of requirements. Impatient, I frequently took matters into my own hands. Paradoxically, despite BNPL being full of potential, I grew to dislike being in the office at that time. Perhaps it was because I was young too, but I could not bring myself to like the employees. When asked how we managed to sustain growth in such trying circumstances, I suppose it was because the joy of being able to work still outweighed everything else.

Those early struggles—the memory and lived experience—form the origins of our teal-style organisation.

It took a long time for these tensions with employees to be completely resolved. In fact, it took until the company-wide discussions that finalised our Mission, Vision and Values (MVV) in 2012, which I will describe later, and subsequent organisational shifts had settled.

You might assume I could simply have ejected anyone who would not cooperate, but from the start I was not an owner-manager. Initially I was merely seconded from the shareholder investment company, and even after I became fully a part of Net Protections, the company changed hands multiple times and the major shareholders shifted. My own shareholding was limited to a small amount, mainly stock options. I was firmly in the position of being a hired executive.

ITX, the company that had placed me here, was acquired by Olympus in 2007 due to poor performance, and our

company became its subsidiary. But following its own accounting scandal Olympus subsequently sold the company to Orix in 2012, after which we were sold again to Advantage Partners in 2016. In effect, our parent company changed three times.

My challenges also extended beyond sceptical employees to shareholders demanding high profitability at an early stage. The fundamental dynamic became one of my finding myself caught between shareholder interests and employee concerns. At one point, staff even mobilised to request my removal to the shareholders.

Even so, the fact that the company was bought and sold and the business progressed was precisely because BNPL was growing. Customer and consumer response was good, and my sense that we were meeting expectations and might be able to change society grew stronger year by year. However, the period of delicate relations with shareholders and constant heavy pressure continued right up until we went public. That said, as organisational challenges gradually cleared up, becoming a teal-style organisation conversely had a decisive impact on our relationship with shareholders. Since this jumps ahead in the story, I will return to it in a separate section.

## **Delegation Is Important, but Can Lead to the Creation of “Fiefdoms”**

I recall that our trajectory towards what would later be called a teal-style organisation began around 2010, when our workforce composition finally started to shift in a favourable direction. We finally had the means to hire talented people and were able to retain them. Yet our transformation to a teal-style organisation was gradual, not sudden.

As the number of people to whom I could entrust work gradually increased, with little time to spare for training, I had each person do as much as they could autonomously. The growth of BNPL also brought with it the practical problem that unless I delegated to others, operations would stall. If we wanted to continue growing and expanding, other than those tasks that unless done by myself would risk failure of the company, I needed to actively let go of everything else. This is a challenge faced by any growing company, but the importance and difficulty of delegation are inseparable.

First, though, is the imperative to have people in place to whom tasks can be delegated. From a certain point, I began hiring people with an eye not only on their work execution ability but also on their management potential. Once we had a reasonable number of people assembled, I tried to begin delegating in a phased manner, but things rarely proceeded smoothly.

Even people with high individual ability may lack the management skills to bring together subordinates or a team, and once delegation had been done, if things did not go well, I would have to take back authority. The process of delegation requires clearly different abilities from handing over tasks to individuals on a case-by-case basis. If it goes badly, work that had been going well would derail, leading to employees departing with wounded feelings, the person who had become a manager becoming indignant at having been humiliated, and resentment being aimed at me. What is more, similar situations could occur simultaneously. It was truly a difficult challenge.

On the other hand, even successful delegation produced unexpected complications. This probably depends on the manager's personality, but when someone becomes the head of a team, they might begin to act as if it were their own "fiefdom," behaving as though being a manager somehow makes them important. Simply put, it is sectionalism, but I think the fundamental difference is whether the manager views their team as a possession under their control or sees their own role as supporting the team and its members.

When delegation turned into creation of "fiefdoms," if I or others flagged a problem, the manager would interpret it as a personal attack, rallying their subordinates saying, "Defend the fief, we are under attack from outside." When promising young employees ended up inside these "fiefdoms," one day they would suddenly grow distant in my presence and stop responding to me at all. In short, what we saw was factionalism, an ironic paradox arising from advancing organisational delegation.

The solutions to prevent such a situation from occurring were the abolition of managers, which arose by chance later (discussed below), and the roundtable sessions we currently operate. I will leave the details of the roundtable sessions until Chapter 3.

## How to Prevent Jealousy?

Through the experiences I have described above, I came to recognise that "how to prevent jealousy" and "not hiring people with excessive need for recognition" were critical themes in the various elements of running an organisation.

Jealousy can arise in and be aimed at anyone. It might be resentment towards a young upstart executive, blame directed at a newly appointed manager by colleagues, rivalry among colleagues who joined at the same time, or wariness towards someone in the same company whose thinking, let alone face and name, you do not really know. Such sentiments breed communication problems and deficiencies, foster bullying and harassment, undermine operational efficiency, and inevitably lower the wellbeing of all employees.

As a business grows, there will be operations where delegation goes well, cases where delegation itself succeeds but turns into "fief-building," cases where authority is delegated but things subsequently fell apart, and areas where delegation has yet to be realised—an eclectic mix. This is particularly pronounced in the BNPL business, where we constantly have to tackle new challenges and initiatives one after another.

Preventing jealousy requires me, as CEO, to avoid actions triggering it, by not doing anything that might be misinterpreted or arouse suspicion. If there are managers I talk to frequently and others I do not, it breeds misunderstanding and jealousy. If I show up at one team's drinking party but not another's, it breeds suspicion. If I happen to go drinking occasionally with a young employee I know well, other young employees are bound to feel excluded or uncomfortable. Once doubts form in someone's heart, everything starts to appear negative, with the result that expressions darken and trust erodes.

I myself, managers, and all employees needed to recognise such problems and clarify, in a systematic manner, what we were working so hard to achieve. Such thoughts became a pressing issue as we continued to grow and the organisation expanded.

## **The Catalyst Towards a Teal-style Organisation**

Some readers may find my way of thinking and doing things somewhat tedious and perhaps overly cautious.

At the time, I was struggling with how to harmonise both the business and the organisation, a period marked by many twists and turns.

Firstly, because the BNPL business we were engaged in was itself a developing field with many unexplored elements, a certain amount of trial and error had to be accepted. More importantly, I also believed that precisely because BNPL was an unexplored frontier, systematically exploring diverse possibilities, collecting data, and iterating through analysis would be a critical strategic advantage for sustained competitive success over the medium to long term. This accumulated knowledge would become expertise that could compete against larger, better-capitalised rivals, so in a sense I thought it was important to deliberately navigate these twists and turns and be first to build proprietary expertise—hard-won insights that competitors would struggle to replicate.

In the language we use today, this strategy was fundamentally about building what makes Net Protections so distinctive. We were establishing ourselves as a uniquely positioned company in the market.

The feeling that an organisational structure designed to support such a company cannot function according to conventional organisational models is something I came to acutely understand over the first decade-plus of building the company. In the early years I was so single-mindedly focused on launching and expanding the business, my thoughts on organisation building and culture were not matched by action because I was totally focused on making the business succeed. I may have had noble intentions perhaps, but ones I failed to translate into meaningful action. The fact that people resented me, criticised me, or bore grudges when delegation did not work out must be attributed to problems with the organisational design as it was, and my own leadership approach. This is an inescapable conclusion.

This is slightly off topic, but people sometimes see our current operations and assume that we must have grown smoothly and rapidly from being a startup to achieving a public listing. Nothing could be further from the truth. The reality was far more turbulent. Conversely, those who understand the full scope of what we actually went through tend to marvel at how much we managed to accomplish under such challenging circumstances.

## **The Keen Realisation That Organisational Culture Must Be “Positive”**

So, what kind of organisation did we need to become? At the most fundamental level, I came to the firm conviction that we had to improve what was arguably a terrible organisational culture, and more importantly, organisational culture must simply be positive.

This is not complicated. Whether a company or any other kind of organisation, I found myself naturally drawn to the idea of an organisation where everyone was bright and seemed to be enjoying themselves, where conversations overflowed with things like “How have you been lately?” “That sounds interesting!” “I don’t quite understand this—could you explain it?” and “Want to try doing this together?” After all, at Net Protections at that time, people would not even greet me, let alone make eye contact. I began to wonder whether I was not just disliked but actually cursed.

This contrast connected in my mind to memories of the tennis club where I had been an officer during university.

It was an inter-university club where we played tennis while everyone had a great time together. I would go to nearby universities saying, “Our club is fun!” to recruit members, and I do indeed have many genuinely happy memories of those days.

To this day, I still think about how wonderful it would be to create a workplace with that same atmosphere. Even if we are engaging in work rather than playing tennis, being cheerful and positive makes it so much easier to achieve results and fosters mutual trust and growth. The more opportunities for teamwork and collaboration increase across the board, the more likely good cooperative relationships are to lead to unexpected discoveries and leaps of imagination, ultimately strengthening Net Protections’ competitiveness.

The problem we faced was how to make the organisation, clearly in a transitional period, into something good.

For example, looking back to around 2010–12, new graduate hiring and manager development were gradually starting to see results, and by around 2012 more than half of the tasks I had given up hope of handing over had reached a level where they could be taken off my hands. Even so, employees were still a mixed bunch in their approach to work. Some aligned with the company’s direction; others simply did what they were told and seemed incapable of operating autonomously. There were also those who continued to criticise me.

The formal structures of the organisation were equally uneven. There were departments where delegation had gone well, departments that had become “fiefdoms,” departments where I had dismantled the “fiefdom” and returned to direct oversight of operations, and tasks where delegation itself had not been possible because no one capable had yet emerged. Given all of this, it was not unusual for employees handling critical tasks to suddenly quit, and I was kept busy dealing with such situations. When I think about my current situation, where I am not directly involved in a single task, I realise how hard that period was, and how much burden I must have placed on employees.

## Enabling Autonomy Requires Clear Standards

So, what did I first need to do? As the CEO of Net Protections, what did I want employees to be like, and how could I communicate that? This required a process of organising my own thoughts, articulating them clearly, putting them into writing, and sharing them.

In fact, already by around 2006 or 2007, I had compiled my thoughts on what I expected of individual employees into something close to the current “Five Values” (described below) and presented a mission statement of “Creating New Standards for E-commerce,” which expresses our aspiration to meet customer expectations by setting out new standards.

However, since this represented purely my own thinking, if what was written was in some way abstract or unclear and people were unsure how to judge and apply it when carrying out their work, they would have no choice but to seek my judgement as CEO. Honestly speaking, I found this process to be somewhat gratifying. Since I was the one deciding everything that people did not understand, I could feel like some kind of omniscient being or king.

Employees did not feel that way, however, quite the opposite. The more matters became “CEO issues” or “waiting for Shibata’s decision,” the more stress accumulated and work stalled. Even when someone thought they were following the rules and working bottom-up, they might be overruled by me. It was only natural that they would want a clearer rulebook.

The urgent need emerged for documented standards that everyone could use as reliable decision-making criteria, in tandem with delegation. Unless I put everything in writing and decisions were made through employee discussion, employees would not be able to operate autonomously no matter how much authority was delegated. To operate autonomously, they needed standards by which they could make judgements without constantly having to ask me. If they were acting in line with those standards, they could feel free to work on their own initiative, and if they could engage with enthusiasm and passion, not only would they grow significantly with a sense of fulfilment, but the company could also expect results.

Some employees, however, viewed this critically from an entirely different perspective. Particularly mid-career hires from large companies knew that most companies have a well-crafted “corporate philosophy,” but they also knew that such principles were never really uppermost in their minds in the course of day-to-day work. No matter how comprehensively and meticulously you wrote things down, they tended to think it was just something to be framed on a wall or printed in a handout and bore no relation to their actual work.

How could we transition to an organisation where delegation was properly implemented and people could operate autonomously? I concluded that the time had come to do just that.

## **Seven Years of Company-wide Debate to Establish Our MVV**

Today, Net Protections operates under the following MVV:

**Mission: “Create New Standards”;**  
**Vision: “Open Up New Possibilities for All”;** and  
**Values: “Explore the Essence and Continue to Change”.**

If you are seeing these for the first time, you might think that they too are just words in a frame on a wall. But these statements took about seven years to develop and were forged through intense no-holds-barred debates involving all employees during the period from 2012 to 2013. In addition to fierce debate, there were also times when everyone fell silent and nothing progressed for hours. The result is the teal-style organisation we have today.

In our current recruitment activities, we not only explain the BNPL business but also present our organisational approach. To employees who join, I personally spend an hour explaining how the MVV came to be decided and what it represents—precisely what I am describing now—including the background and thinking behind its creation.

Of the MVV, the prototype that was completed earliest was the “Five Values” mentioned earlier—the Values component. These articulate what Net Protections considers important, drawn from my own thinking, and they remain largely unchanged to this day.

Here is an overview of our “Five Values” (Code of Conduct):

**Exploring the Essence = Push the boundaries of your thinking;**  
**Refining Ourselves = Pursue genuine growth with a spirit of service to others;**  
**Uniting Strengths = Engage earnestly for a shared purpose, with mutual respect;**  
**Engaging with Candor = Don't take the easy path—walk the high road; and**  
**Striving for Excellence = Deliver results as a true business professional.**

To express simply what I as the creator of these Values felt, was: “These are the kind of people I want to work with!” At the same time, I had spent too many painful years working with people who were the opposite. These Five Values have continued to function unchanged as hiring criteria for about 20 years since 2007.

On the other hand, we decided at this point to discuss and change the 2007 mission of “Creating New Standards for E-commerce.” As BNPL grew and expanded, with business spreading into B2B and marketing, limiting ourselves to e-commerce alone would become too restrictive. Thus, we arrived at our current mission “Create New Standards” in 2013.

Externally, we explain this as “creating seamless systems that can be utilised and spread by all, evolving the next standard,” expressing our commitment to continuously creating new value in the payments business. But in fact, it also carries the meaning of “creating new standards” not just in terms of business, but also from the perspective of “uniqueness in building an organisation where employees can work with mutual fulfilment and happiness,” which is precisely the theme of this book. It equally expresses both aspects, namely that a positive organisational culture is precisely what enables us to create innovative businesses and services.

## **Vision as Organisational Values and Culture**

Our Mission and Values were somewhat refined through the discussions of 2012 and 2013, but their content and direction have not changed significantly since I first felt the need for them.

On the other hand, defining and articulating our Vision proved more difficult than imagined and took a considerable amount of time.

First, I explained to all approximately 50 employees at the time what I wanted to do with Net Protections going forward and asked everyone to think about how to translate those aspirations into a Vision. I wanted to keep creating and expanding new platform businesses, to embrace diversity as much as possible. I asked everyone to first digest this content and then discuss how to express it in our own collective voice.

We divided the 50 employees into teams of seven or eight, giving each team a budget of about 300,000 yen. Over the course of approximately three months, they discussed the question: “Having heard what Shibata said, if you were the CEO, what kind of company would you want to build?” Each team compiled their conclusions into presentation materials.

Based on those results, I continued deliberating with around ten leaders for a further nine months. At times we relocated to hotels and held literal “retreats” where we stayed overnight to engage in discussions. We already had a retreat culture, and they were often held when teams needed to discuss ideas or find direction, but the retreats to finalise the MVV proved exceptionally difficult, numbering five in total.

As you can understand from what I have described, even then about three of the ten leaders were critical of my approach, and we clashed head-on in discussions. The presentations that came up were not always favourable to me; some contained pointed criticism, and a few even bordered on personal attacks.

Naturally, discussions would boil over. Afterwards, we would fall into a state where no one would speak, or could not speak, and at one retreat we even had five hours of silence where everyone just stared at each other without uttering a single word. The intense psychological pressure made this one of the most painful experiences of my life.

The Mission and Values were easier to reach consensus on because it was clear what needed to be decided. However, although we continued discussing the Vision as “something setting out how the business will have grown and expanded several years from now,” we could not make significant headway, no matter what we did. Furthermore,

some argued that with so much still unknown, locking in a fixed view of the future might actually constrain our possibilities.

In other words, we could not reach consensus on what our Vision fundamentally meant and why we were creating one. Instead, discussions kept going round in circles and would repeatedly grind to a halt.

After a prolonged period of being mired in disagreement, the conclusion we finally reached was this: “Perhaps, for us, Vision is about how we want to be as an organisation, and the core principles we want to uphold.”

Whereas the Mission defines the value we provide to society, and the Values represent the personal principles of individuals working at our company, the Vision is “the values and norms of the organisation itself,” or what we uphold regardless of department, team, or task. We coalesced around this direction, and what emerged was the “Seven Organisational Norms” that remain in place to this day. Let me introduce each one here with an accompanying outline.

**◆ Building Clearer Business and Relationships:**

We hold up as our ideal, and work to realise, a natural and distortion-free state in the services we provide to society, our relationships with customers and partners, and our organisation building.

**◆ Building Our Company Together:**

Everyone, as a responsible stakeholder, builds and nurtures both the business and the organisation.

**◆ Nurturing Excitement and Anticipation:**

Excitement fuels passion and passion fuels excitement. This is something we treasure.

**◆ Engaging Sincerely with All Stakeholders:**

We want to remain sincere as individuals and as an organisation.

We aim to be an organisation where customers, shareholders, partners, and members engage with each other wholeheartedly and earnestly.

**◆ Leveraging Diversity for Stronger Teams:**

We make respecting and integrating diverse perspectives and personalities the driving force for organisation building.

**◆ Respecting Passion:**

We advance the creation of a culture and systems where individual aspirations are valued and people are empowered to choose their own path.

**◆ Exacting Demands, Mutual Support:**

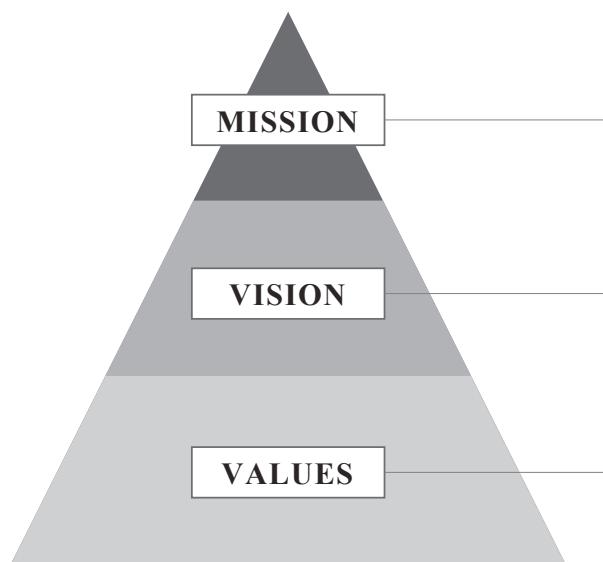
We aim to be an organisation that grows together by demanding high-quality results from each other while helping one another.

With these norms in place, we could define ourselves as an organisation that can operate in an integrated way regardless of task or department, when promising and capable people embodying the “Five Values” come together. This is, in essence, the constitution of Net Protections. I still consider being able to define these “organisational values” to be one of our greatest inventions. In effect, you could say that once this was complete, becoming a teal-style organisation was almost a foregone conclusion.

I always personally explain to new employees that the most important of the Seven Organisational Norms is the first one, “Building Clearer Business and Relationships” and the remaining six are essentially supporting components. In extreme terms, at the very least remember the first of these norms. I emphasise that when thinking about, creating, or advancing anything, whether in terms of business or organisational approach, employees should always first consider whether something is distorted or not.

Also, for external communications purposes the Seven Organisational Norms and Five Values are perhaps too much information to absorb all at once. Therefore, as mentioned above, we distil Vision into “Open Up New Possibilities for All” and Values into “Explore the Essence and Continue to Change.”

When I summarise the process in writing like this, it may give the impression that things came together smoothly in the end, but the reality was quite different. Shareholders were pressuring us, implying that if we had time to spend on such peculiar exercises, we would be better advised to focus on generating profits instead.



### Create New Standards

Creating seamless systems that can be utilized and spread by all, evolving the next standard.

### Open Up New Possibilities for All

Our business and organization will deliver new options and expand possibilities for all individuals.

### Explore the Essence and Continue to Change

We consider the essence from every angle and unceasingly pursue change and challenge in everything we do.

#### Old Vision

##### Organizational Norms

- Building Clearer Business and Relationships
- Building Our Company Together
- Nurturing Excitement and Anticipation
- Engaging Sincerely with All Stakeholders
- Leveraging Diversity for Stronger Teams
- Respecting Passion
- Exacting Demands, Mutual Support

#### Old Values

##### Code of Conduct

- Exploring the Essence
- Uniting Strengths
- Striving for Excellence
- Engaging with Candor
- Refining Ourselves

\*Our Organizational Principles and Code of Conduct are now encompassed within our current Values as part of our MVV.

## How to Pursue the Intersection of Performance, Growth and Happiness?

With the MVV decided in this way based on discussions, I think it is fair to say that the flow towards becoming the teal-style organisation we are today was almost complete.

However, at that time we did not even know the term “teal organisation,” and were certainly not thinking in terms of it as an end goal. It is somewhat strange that we would eventually come to be evaluated as “the world’s only teal organisation.”

Recalling what was happening in the organisation as we began to move based on the MVV, it involved days of constantly asking whether everything was clear and free from any distortion, as I mentioned above. If everyone thought something was not clear, we would decide that something needed to be done about it.

People began raising questions about how the organisation should be. Wasn’t excessive hierarchy a form of distortion in relationships? Was the very existence of positions and having one’s tasks determined something that could be detrimental? Was it a good idea for leaders and managers to have authority and bear all responsibility? Shouldn’t anyone be able to participate in any discussion, and act based on their convictions?

The scrutiny directed at managers, me included, intensified, and our own awareness shifted. To avoid being told “isn’t that distorted?” we could no longer simply give instructions and orders. For anything we did, we had to explain the background and significance thoroughly from all angles.

I myself, while in the position of effectively being the founder and CEO running this company, would be pointed at as having distorted the MVV if I did not deal sincerely without relying on hierarchy. After all, I was the one who had proposed the MVV in the first place.

In other words, I came to realise that with the establishment of this constitution for the company, my role had changed from reigning from on high as an “omniscient CEO” to take on more of a stewardship role responsible for its implementation.

At around the same time, palpable momentum began to grow to respect each other as people, to respect each person’s thoughts and aspirations, and to work with as much excitement as possible. A culture emerged where people maintained high standards yet also taught, challenged, and supported each other with genuine care and attention.

Looking back now, I think what crystallised as our MVV was ultimately about finding and pursuing the intersection of results, growth, and happiness.

Whenever I reflect on my own bitter experience of not being allowed to work meaningfully at the trading company, I keenly feel how working in a “flow state”—something that has attracted attention among businesspeople in recent years—is directly connected to enhancing results, enabling growth for oneself and those around, and experiencing happiness and fulfilment.

That is why we have always strived to create a place where everyone in any department pursues and delivers results, while at the same time everyone involved operates autonomously, grows dynamically with enthusiasm, and everyone

finds happiness. This may be where our thinking differs in direction and sequence from the model teal organisation as described by Laloux.

With the benefit of hindsight, it may be precisely because of my painful experiences at the trading company that we were able to deepen our discussions to this extent. If I had been given a respectable position at the trading company when I entered the workforce, I might well be living today as someone who pays little attention to others and walks around with my nose in the air.

Thus, having begun on journey towards a teal-style organisation almost before we knew it, we went on to formalise these principles into a system called “Natura.” I will outline its structure in Chapter 2.

## **Unexpected Events That Evolved the Teal-style Organisation to Evolve beyond Expectations**

After the MVV was established, various changes occurred in the organisation. These were generally positive, and some were coincidences or unexpected developments that even I could not have imagined.

First, the retention rate of new graduate employees clearly began to improve from around 2013. There were fewer cases where people with potential were crushed, or “contaminated” by those who did nothing but badmouth others, and it was rather those who tended to spread negativity who started leaving. The contents of our cup, which had stubbornly refused to change colour, was visibly changing to resemble a café au lait.

To avoid misunderstanding, let me say that I never forced anyone to resign. That would be very difficult to do in the first place. However, once we invested the time and effort to set the MVV in place and it had been embraced by the many employees involved, those who did not fit with the MVV left of their own accord. I think they too concluded that their way of thinking, their approach, and their characteristics would be difficult to leverage at Net Protections.

Next, the prototypes for the one-on-one meetings and “roundtable sessions” that continue to this day were born. I will describe the current operation of each in a separate chapter, but we had not originally planned to hold one-on-one meetings or roundtable sessions. Nonetheless, they arose naturally.

At the time, circumstances meant I was directly overseeing certain functions. When issues arose with new employees working in those areas, I would speak with them directly, either in groups or one-on-one. I thought of it as simply communicating as a stand-in manager with subordinates, grasping the current state of work, listening to personal concerns, and supporting them in doing better and working enjoyably. Eventually, rumours began to spread among the younger employees. The gist was that it was unfair, namely a “distortion,” that only those who happened to work under me could consult directly with me.

I could see for myself the effect of the talks. Young employees would loosen up and become more themselves and start working more enjoyably. So, seeking to rise to the challenge, I decided that I would make myself available to

talk one-on-one with anyone, and we would create equal opportunities for everyone to gather and talk, getting to know each other's thoughts and concerns.

Through this new process we greatly increased opportunities to get to know one another, which not only made delegation smoother, it also increased trust as we could share more richly what everyone was thinking. When something problematic emerged, alerts would be sounded quickly and we could respond accordingly.

## **“If Shibata Goes, so Do We”**

Among the unexpected changes that surprised even me, let me describe one particularly memorable episode.

The parent company at the time the MVV was established was Orix, the third such parent company.

Setting aside the detailed background, the point of conflict between myself and Orix was how to evaluate the current and future business, and how to balance costs and profits.

Orix wanted us to focus solely on the main business “NP Atobarai,” minimise costs on everything else, and maximise single-year profits. On the other hand, I and other employees, recognising that “NP Atobarai” was already approaching its growth limits, believed we should invest current profits to push forward with “NP Kakebarai,” which we were developing in B2B, and the business that would become “atone” in B2C. Even if single-year profits were compressed, we believed that we should take steps towards long-term growth.

Orix also showed almost zero interest in how our organisation worked or in the establishment of the MVV.

Amidst all of this, from around 2015 the differences of opinion with shareholders had become irreconcilable. “NP Kakebarai” was on the verge of being shut down, and “atone” had its entire team disbanded. Not only that, but new directors were sent in, I was removed from main operations under threat of dismissal, and my opinions were no longer heard. Having to work in this environment for over a year while keeping a smile on my face and treating everyone in an even-keeled manner was, even looking back now, an extremely gruelling time.

However, in the end, many of the employees at the core of our operations expressed forthrightly to the shareholders that if I was removed and another executive was brought in, they would resign.

I had sensed this might happen and had expressed my opinion to the shareholders. Among our senior talent, there was almost no one who wanted to work with them rather than with me.

In the end, the matter was settled by the parent company changing again (we were sold to another company), and I was reinstated.

From the perspective of the shareholders who sold the company, it is conceivable that they may have felt, “We

cannot deal with such a strange company.” However, it was unexpected even to me that this episode would cause the teal-style organisation to evolve further in an entirely different way.

First, as a CEO with almost no equity stake, I had felt frustrated and vexed, all the more so given how hard everyone had worked together to get this far. But ironically, this turned into a forced and intense “experiment in delegation.”

Not only did other employees admirably fill in for me when I was effectively removed from operations and unable to do anything, based on the trust we had built, they constantly reported to me and sought my advice. If human relationships and trust are properly established, influence is maintained even when you shed the armour of authority. I came to realise, inadvertently, the possibility that perhaps I could delegate authority even more boldly. Had this episode not occurred, would I, as the CEO who had built BNPL from scratch, have been able to relinquish almost all authority of my own volition? Even if I had felt the necessity, it would have been quite frightening and difficult. Most important decisions had usually involved me. But as a result, like a blessing in disguise, the teal-style organisation evolved further, leading to the establishment of “Natura,” which I will explain in the next chapter.

Another unexpected development came in 2017, after the parent company changed. A proposal came from HR, entirely bottom-up, proposing “Let’s abolish managers.” After due discussion, that is exactly what happened.

I too had thought that eventually I wanted a style where everyone operated autonomously and cooperated freely without managers or supervisory positions but given our history, I had hesitated to propose abolishing managers myself; I was worried that it would come as too much of a shock. I had struggled enough dealing with “fiefdoms,” and above all, it felt harsh to strip the title from people who took pride in being managers. After all, I was the one who had appointed them in the first place.

However, this proposal was accepted without major problems. Manager positions were abolished and fundamentally transformed into the “Catalyst” role, which I will cover in the next chapter.

## **It Was the CEO Himself Who Grew Most in the Teal-style Organisation**

Through all these twists and turns, trial and error, and even chance occurrences, our organisational culture has taken its current form, which probably exists nowhere else. This led to growth in two major ways.

First, although it may seem like a roundabout way of doing things at first, ultimately the teal-style organisation is the most conducive to producing results and also the most efficient.

Rather than rigidly controlling from the top down, if everyone freely speaks their mind while sincerely trusting that others are thinking of customers and colleagues, it becomes easier to arrive at unexpected new discoveries and developments. With top-down management, things may go well at first, but eventually the limitations of the executives become the limitations of the company and the business. The teal-style organisation eventually demonstrates the power to easily transcend such limitations.

Particularly over the past decade or so, as the teal-style organisation has stabilised, all the new services that have emerged were conceived from within it. Even I, who created the prototype “NP Atobarai,” find myself genuinely surprised, thinking “This is fascinating, this is amazing!” New businesses, especially B2B and overseas expansion, keep emerging from the bottom up. Many executives lead by example, working relentlessly and single-mindedly to produce results. As for me, I simply share my thoughts and experiences as opportunities arise. It is something that it is genuinely enjoyable for me to see how interesting work keeps emerging all on its own. We have entered a phase where everyone understands the importance of generating profit without me having to preach about such matters as CEO. All I need to do now is step back and watch.

I believe that this is the core value that keeps us ahead of our rivals. From the outside, people only see our market share and service names, but these emerged from within our organisational culture, without explicit instructions from the CEO.

BNPL is a payment business that is characterized by diverse and lengthy operational processes, and if any part of a process is missing, the entire payment system grinds to a halt. The required knowledge is extensive and broad, far too much for one person to cover alone. Even I, who managed everything alone at the start, do not now have a perfect grasp of everything. Conversely, if you leave everything to someone, there is a risk that the entire business will stop the moment that person ceases to function.

The teal-style organisation, while sharing the MVV, has everyone operating autonomously with work distributed, yet also intricately interconnected in a structure that optimally leverages collective intelligence for business. When this happens, since no one working at the same company has the same role, this naturally transforms into mutual respect. Everyone is someone who “can do what I cannot.”

The other growth has been my own personal transformation.

Even though difficult times were long-lasting, I think the process of trial-and-error was in itself highly original and positive. All the more so for me, who never learned management from anyone.

Delegation was initially terrifying because of the fear of losing influence; neither was it easy on a human level either. But now I delegate boldly, or I should rather say, I have now delegated almost all authority. As CEO, I represent this company and bear responsibility to external parties for generating profit, while internally I support everyone in operating autonomously and staying in a “flow state,” wanting us to become a company that produces outstanding talent. Moreover, I am proud that we have been able to accomplish this while creating new value and growing the company, all the while maintaining a healthy balance between business performance and organisational development in a positive atmosphere.

Even though we are a teal-style organisation, given our history, we do not prioritise organisational matters above all else. I am convinced that we became a teal-style organisation in order to maximise our TAM (Total Addressable Market) in BNPL. That uniqueness is the very value that both Net Protections and I have learned on our winding journey together.

However, readers do not necessarily need to take the same circuitous route that we ourselves experienced.

I am often asked, “How did you manage not to quit after going through all that?” and I still cannot provide a good answer. There is certainly my affinity for the BNPL business that I started and saw potential in, and my deep feelings towards the employees who struggled alongside me. I can now confess that there were multiple times I could have left the company, or received extremely attractive offers to join other companies, not to mention that I was actually nearly pushed out. The reason I did not leave was the thought that “I may never encounter a business with such enormous potential again in my lifetime,” combined with my love and sense of responsibility to the company I had built.

The result is the current situation where the business keeps on growing without me as CEO having to consciously drive it forward. This was an unexpected development, even for me, but today I believe wholeheartedly in the future of Net Protections and the people who work here. With that in mind, I want to think things through fully and quietly support this current phase, maintaining it and helping it grow in ways that others might not even notice.

There is no need for people to endure the harsh experiences I did. In a sense, you are welcome to use us as a testing ground, and a pioneering case study. For those who newly join Net Protections, it is more than enough if you simply operate autonomously, work as yourself, and enjoy creating value.

# Chapter 2

## How a “Teal-style Organisation” Works

### The Relationship Between Our HR Evaluation System and Our Teal-style Organisation

Over the nearly 15-year journey in which we established our MVV, Net Protections evolved into a teal-style organisation. Based on the maturation of our organisation and talent during that period, together with the growth of the business, we now have a clearer understanding of what kind of people can thrive here and those with whom we wish to work.

That led to the system we established in 2018 as an institutional framework: Natura. In addition, we also operate several other unique systems.

In short, Natura is an HR evaluation system; however, reflecting the path that has led us to this point, it is designed to eliminate a competitive mindset among employees and to foster psychological safety, thereby enabling them to develop further and to demonstrate greater value.

At Net Protections, employees place greater emphasis on “co-creation” than on competition, working together to create value, and our HR and compensation systems have been designed to support this approach.

In this chapter, I will first outline Natura, and then explain several of the unique systems Net Protections operates.

To summarise Natura's key points in advance, it consists of:

- 1 Abolishing managers**
- 2 A fluid “Catalyst” role**
- 3 Introducing a "Band system" (six-tier grades)**
- 4 Development support meetings**
- 5 Deciding promotions.raises through 360-degree evaluations**

Seven years have passed since Natura began, and, aside from minor adjustments, we have continued operating it as is. It has also continued to exert a positive influence on the development of our teal-style organisation up to the present.

## Abolishing Managers

As I mentioned in Chapter 1, abolishing managers was realised from the bottom-up at a point when I was grappling with how to proceed.

In a typical company, it is taken for granted that there are “managers” and “managed employees.” The person who manages gives instructions, allocates work, and conducts evaluations.

Explaining the thinking behind Natura in that same frame: at Net Protections, everyone manages themselves; in other words, all employees operate with an entrepreneurial, ownership mindset.

As an example, consider a sales department. In a typical organisation, targets are set from above, managers develop strategies to achieve them, allocate individual quotas to subordinates, and direct how work should proceed. In short, the structure can be summarised as: “Follow instructions without having to think for yourself.”

In contrast, if a Net Protections team were faced with the same situation, all members would first discuss how to achieve the targets from a strategic perspective. Everyone is free to contribute, regardless of whether they are in their first year or their twentieth. We might even hold an offsite retreat to explore the issue from first principles.

Employees who joined after Natura was established regard this approach as entirely natural; some even assume that all companies operate this way, only to be surprised when they learn about their friends' experiences at other workplaces. Had I been able to speak freely in this manner when I first joined a trading company, it would likely not have posed any problem under such an approach.

## What Does a “Catalyst” Do?

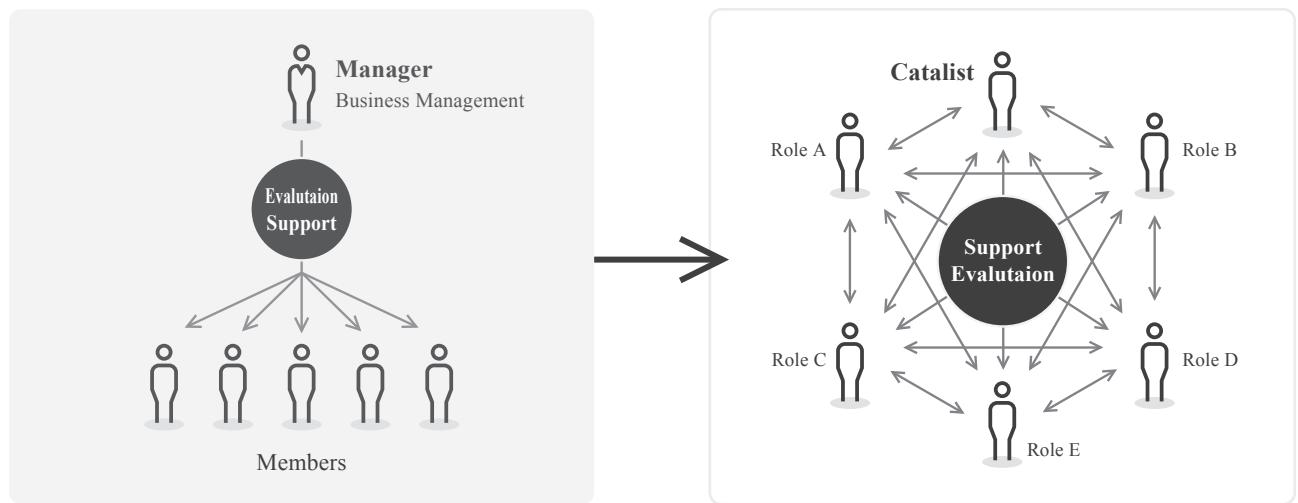
The abolition of managers is complemented by a role we call the “Catalyst.”

While there are no managers, departments still exist. Each department has one or more Catalysts, who coordinate matters such as information flow, resource allocation, and budgeting within that department. However, coordination is not their primary function; rather, it is something they undertake by virtue of their position. Their primary role is to support everyone in the department or team, ensuring that authority is delegated as fully as possible and that all members can operate autonomously with a sense of well-being. Also, if someone outside the company exchanges business cards with a Net Protections Catalyst, the card may show a conventional job title, but this is merely an external designation for clarity of communication.

One distinctive feature of the system is that it is rare for a department to have only one Catalyst; having multiple Catalysts is the norm. We expect Catalysts to comprise at least 10% of each team, and individuals may serve as Catalysts across multiple departments. In short, it is a highly fluid role.

To become a Catalyst, one must be at Band 4 or above, as outlined below. However, even those who meet this criterion may serve as a Catalyst in multiple areas, or in one department while not acting in that role in another.

Formally, the company appoints Catalysts, but the decision is made through consensus among the team members. Rather than through formal deliberation, the choice typically emerges organically. If someone is struggling and seeks advice, I may recommend someone, for example. The process remains flexible—or, in a positive sense, somewhat fluid—and decisions typically arise through tacit agreement: 'Well, that person is the Catalyst.' I am often simply informed after the fact. It is also common for Catalysts to rotate naturally. We consider each Catalyst's workload and avoid prolonged assignments to a single department, but having multiple Catalysts makes such transitions seamless and unburdensome.



## Introducing the Band System (Six-Tier Grades)

Under the Band system, we define employees' job grades and their corresponding compensation levels. From 2025, we expanded the structure from five tiers to six, yet true to the meaning of 'Band,' it remains intentionally simple, avoiding excessive granularity.

We disclose not only the evaluation criteria for each Band but also which employees are in which Band. Naturally, this enables employees to roughly infer one another's compensation levels.

Band promotions are determined through the 360-degree evaluations described later, and promotion to Band 3, at which employees begin assuming leadership roles, is decided by all employees at Band 3 and above in a collective meeting. Consequently, the system is designed to minimize self-serving decisions and favouritism, while employees who are highly regarded by their peers may advance within their first year or attain higher Bands at a young age and assume coordinating roles.

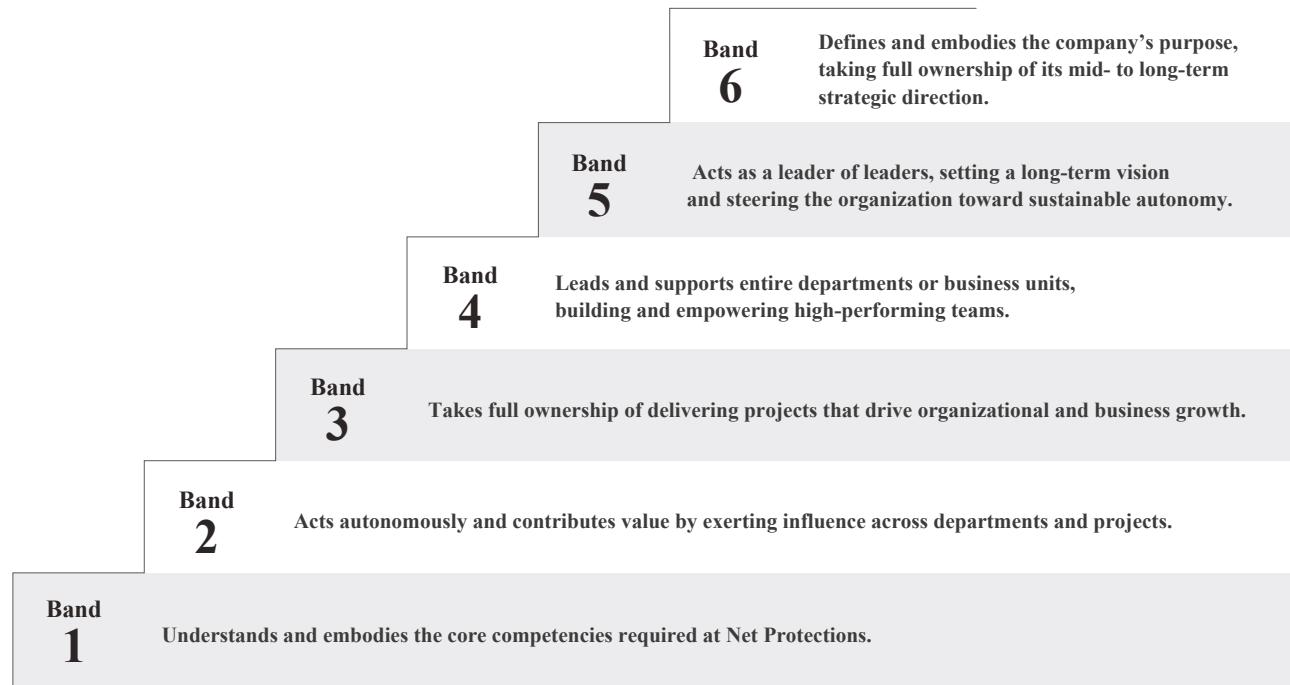
We designed the system to be simple in order to achieve the goal of "preventing jealousy" mentioned earlier. In the past, with nearly 20 job ranks, colleagues from the same intake class would often compare pay statements and complain, with remarks such as, "My evaluation is unfairly low" or "I'm performing better than that person." Consequently, relationships sometimes deteriorated, and in some cases, employees lost motivation and resigned.

despite being given explanations—an issue we could not ignore.

We therefore simplified the job ranks into Bands and integrated this with 360-degree evaluations to enhance employees' sense that evaluations reflect genuine market value.

Moreover, a Band represents only an evaluation at a given point in time. Those who advance quickly will not necessarily continue to excel, nor will those in lower Bands necessarily feel perpetually undervalued. Bands simply reflect 360-degree evaluations at a particular moment, and it is common for employees to advance steadily as they learn to demonstrate their competencies more effectively. Throughout Net Protections, there is no notion of career 'fast tracks' based on which Band someone reaches in a given year or what work they do. Instead, we cultivate a culture of collectively supporting employees to achieve strong evaluations. In this way, we minimise jealousy.

Within each Band, we implement automatic annual salary increases. With fewer tiers, employees may remain in the same Band for several years, but incremental annual salary increases and the resulting improvements in quality of life have a significant impact on motivation. Therefore, within each Band, we deliberately adopt a seniority-based approach.



## Development Support Meetings

These are meetings held twice per half-year (QDS: Quarterly Development Support), conducted one-on-one with either a Catalyst or an employee to whom the Catalyst has delegated this responsibility. The purpose is to review activities and discuss growth support, including career progression.

Based on 360-degree evaluations results, participants discuss areas for development and how to progress toward higher Bands. In my case, for example, I conduct these meetings with approximately 20 Catalysts and provide guidance.

## How We Use 360-degree Evaluations to Prevent Jealousy

Our 360-degree evaluations operate in tandem with the Band system and QDS. I believe it is extremely rare for companies to base all compensation-related evaluations entirely on 360-degree evaluations.

The system itself is very simple. Twice annually, employees receive evaluations from approximately five to ten people, including senior colleagues, peers, and junior colleagues. Evaluators consult an evaluation criteria table and provide numerical ratings and feedback comments on several competencies using a standardised form. Results are aggregated anonymously, and the consolidated findings are provided to the employee. Band placements are fully disclosed throughout the organisation.

When described in these terms, some may perceive it as a rigorous system that pressures employees, but the reality is quite the opposite. Because individuals operate autonomously while collaborating with colleagues, and because meetings and 360-degree evaluations are conducted by those with whom one works directly, the prevailing approach is one of 'assessing the current situation and working together to enhance one's evaluation.' Rather than viewing lower-rated areas as problems, the focus is on collaboratively exploring how to improve.

Evaluation systems inevitably breed distrust, particularly when one feels undervalued.

At Net Protections, employees choose whom they ask to conduct their 360-degree evaluations. In other words, they can request evaluations from those they trust and those they believe have observed their work closely.

Everyone receives a 360-degree evaluations, including myself as CEO.

This approach makes it easier to perceive 360-degree evaluations as reflecting genuine market assessment, thereby increasing employees' sense of their validity. Employees can take the feedback seriously and work on improvements, while also taking confidence in areas where they were commended.

At the same time, as 360-degree evaluations operate continuously, everyone naturally considers what is best for all colleagues from multiple perspectives. This occurs because individuals are not only continually evaluated by others but also continually evaluate their colleagues. Ultimately, this enables personal growth through presenting one's authentic self and receiving candid feedback from colleagues. As I have mentioned, at Net Protections there is no need to adopt a "work persona," and this system serves as a crucial mechanism for enabling that authenticity.

## Disclosing All Information to Employees Creates a "Swamp" of Knowledge

Following the discussion of Natura, I will outline several other distinctive systems at Net Protections.

As I have mentioned previously, a fundamental prerequisite for sustaining our teal-style organisation and continuing to grow is that we have established a "culture of disclosure" through which we share all possible information,

knowledge, and data internally.

In practice, the scope encompasses virtually everything. Aside from a small subset of information that cannot be disclosed for legal or compliance reasons, all other information is accessible to everyone. Moreover, all information dating back to 2017, when this approach was introduced, remains accessible and searchable.

The operation is straightforward: we share all information using Google Docs and Helpfeel Consense (formerly known as Scrapbox). Since all employees now conduct their work on these platforms, there is no longer even a sense of 'disclosure'—it is simply how we work.

At the same time, this generates significant benefits.

First, regarding the HR evaluations described earlier, because both the evaluation criteria and everyone's Band placements are fully disclosed, employees readily perceive the system as highly legitimate. Not only financial and task execution but also each employee's self-introduction and "Growth Support Vision Sheet" (described later)—which outlines their aspirations—are disclosed, enabling employees to gain substantial insight into colleagues they wish to work with even before initial conversations. Consequently, meaningful discussions can begin immediately.

One-on-one and group meetings take place throughout the company, and in most cases their minutes are disclosed. This extends to executive meetings and even financial results.

Additionally, records of roundtable sessions and external negotiations are also retained. All records are organised chronologically.

With this system in place, even first-year employees can readily access executive meeting discussions and understand, from an executive perspective, the key themes and concerns under consideration. They can view work through a Catalyst's perspective and learn from the past accomplishments and growth trajectories of respected senior colleagues. In this way, the strengths of a teal-style organisation are further amplified.

At Net Protections, we colloquially refer to this repository of information as the "swamp."

Particularly for junior employees, once something prompts them to explore the records, they can trace in rich detail nearly every aspect of how the service they currently work on was originally developed, who participated in what discussions, and what challenges were overcome to reach its present state.

However, this requires sifting through a substantial volume of raw data. The process of delving into this data and becoming absorbed to the point of losing track of time can feel like being caught in a 'swamp' from which one cannot easily extricate oneself—hence the name.

This culture of disclosure serves as a crucial foundation for our teal-style organisation and the collective intelligence it fosters. Particularly for autonomous employees, understanding not merely the rules themselves but also the processes through which they were developed proves immensely valuable. Because they rapidly acquire veteran- or even executive-level perspectives, employees likely develop autonomy at a dramatically faster pace than in typical

companies. While exhortations such as 'adopt a management perspective' or 'think like an executive' are common, such tool-based support makes these aspirations genuinely achievable. I believe a teal-style organisation is not merely a structural form; what matters is the underlying mechanism that leverages information technology in this manner.

In fact, this system was proposed bottom-up by an employee in their second year, who challenged us with the argument, "Surely there's nothing that cannot be disclosed." Interestingly, after mastering the system, he eventually joined the company that provides it and now serves as a business unit leader there.

## **Working Groups: Choose Your Own Work One Day a Week**

In HR and benefits as well, we have designed and implemented various systems to support autonomous working practices. Let me introduce several of these.

First, the Working Groups (WG) system allows employees to allocate 20% of their working time to voluntarily join projects seeking participants. This 20% is a guideline; for those working five days a week, it translates to approximately one day dedicated to work outside one's primary department.

Google famously pioneered this concept in its early days, and we drew inspiration from their approach. At Net Protections, however, this does not mean 'do whatever you please and simply enjoy yourself.' Rather, if employees identify something they can or wish to contribute toward Organisational growth or supporting colleagues, they may volunteer and dedicate approximately one-fifth of their working time to it. Several Working Groups are typically seeking participants at any given time; employees may choose to apply or not.

Working Groups themselves emerge bottom-up. These may include novel business ideas or initiatives to develop systems that further evolve our teal-style organisation. If employees propose an idea, gain approval, attract colleagues, and build momentum, the initiative may evolve into an actual business or formal system—and with a Catalyst assigned, potentially even become an official department.

For my part, I want to continually convey the message that if something benefits both you and your colleagues, it is perfectly acceptable to dedicate approximately one day per week to pursuing what genuinely interests you. Moreover, collaborating with different colleagues on projects entirely distinct from one's regular responsibilities can significantly expand career horizons.

## **Every Employee's Vision Sheet Is Fully Disclosed**

In principle, all employees create and submit a “Growth Support Vision Sheet” twice annually. Naturally, these too are made accessible to all employees.

As I will discuss in greater detail in Chapter 3, employees articulate their vision encompassing not only what they wish to accomplish as members of Net Protections but also their broader personal aspirations, including the type of work they seek and any desired departmental moves to achieve these goals.

While transfers are informed by these Vision Sheets—though not with absolute certainty—I am confident that we effectively support employees in aligning their work and lives with their authentic aspirations. Moreover, reviewing one another's Vision Sheets facilitates understanding of colleagues' intentions and aspirations, thereby enabling relationships and trust to develop naturally.

## **Comprehensive Support for Employees' Personal Lives, Including Childbirth and Parenting**

On the benefits side, for example, we have the “Manabook” system, in which the company covers the cost of a book if an employee purchases it, adds a review, and donates it to the company. There is also the “Toresapo” system, which covers up to ¥100,000 for courses or certification fees related to skill acquisition. Of particular focus, however, are our childbirth- and childcare-related programmes, collectively called “Cocotte.” As executives, we operate this system with the aim of retaining outstanding employees even as they go through major life events. Its contents are continually refined through bottom-up input from employees who are actually experiencing childbirth and child-rearing, creating a workplace environment that better supports balancing work and parenting.

What makes this unique is its practical design: we proactively address situations where programmes may be unknown or employees hesitate to request support, while also incorporating insights from public services to complement our corporate offerings.

These programmes encompass multiple dimensions: not only flexible working arrangements such as remote work, staggered hours, and working with children present, but also institutionalised departmental celebrations for pregnancy and return-to-work milestones; hiring support staff to prevent colleagues from being overburdened during leaves of absence; maintaining information access for employees on leave; providing catch-up support upon return; and hosting family-inclusive events to foster a positive atmosphere.

As we address various challenges, these programmes have evolved through bottom-up initiatives, creating a framework that allows employees to access benefits suited to their needs while maintaining their parenting goals. While this inevitably entails costs for the company, I believe the real loss occurs when motivated, talented, and valuable employees are compelled to leave due to major life events. Moreover, having these programmes firmly in

## **“Famitsu” — Facilitating Relationship Building Beyond Work**

There are two other distinctive systems related to ways of working that I’d like to introduce.

First are the programmes we call “Famitsu” and the “Family Wallet.”

They were originally created based on a bottom-up idea, but in actual operation they are deliberately the opposite, more top-down in nature.

Once a year, all employees are randomly reassigned—entirely independently of their home departments—to a ‘family,’ a group of four to five people wholly separate from their work teams. No preferences are accepted, making this a deliberately top-down creation of random pairings. While not entirely random, the system is designed to minimize placing colleagues who regularly interact in daily work into the same family. Naturally, I am also assigned to a family.

Each quarter, the company provides each family with a subsidy (the Family Wallet) to facilitate bonding through activities of their choosing—whether dining out, recreation, or other shared experiences. We encourage employees to participate in these family activities whenever possible. Incidentally, my recent family group went fishing together at an izakaya with an in-house fishing pond.

We do this to create 'diagonal relationships' within the company—connections unlikely to emerge through routine task execution—enabling employees to deepen their understanding of other departments and functions while fostering mutual respect. Depending on the nature of work, some areas naturally feature extensive lateral connections and frequent interaction, while others tend to become siloed around specialized professionals. By establishing numerous diagonal relationships across these areas, we significantly expand the network of employees who know one another, fostering company-wide engagement and strengthening trust. We do not expect families to generate business ideas or initiatives; they are simply 'families,' and that is precisely the point.

## **The “50% Employee” System**

People often tell me they can’t quite grasp what the “50% employee system” means, so to explain it clearly just for understanding: it’s like looking at the increasingly common “side jobs are allowed” policies at some companies, but from the other direction. That said, it does not mean that we want people to come to Net Protections and do side jobs.

When we wish to recruit individuals already excelling as business owners or executives, we previously faced only two options: hire them as full-time employees (requiring them to abandon their existing ventures), or engage them solely as external contractors. We therefore created a new arrangement whereby such individuals receive the same employment benefits, including social insurance, while working within contractually agreed hours and compensation, thereby enabling them to continue operating their own businesses. This allows them to maintain their entrepreneurial pursuits while contributing their expertise to Net Protections.

Net Protections does have many people who work under contractor agreements, but contracting is, literally, a per-task contractual relationship, and it often does not fit as-is with Net Protections' unique systems, where people autonomously operate while coordinating with one another.

By contrast, 50% employees remain full "employees" in every meaningful sense—colleagues, teammates, and members substantively equivalent to full-time staff. Training, roundtable sessions, and employee-oriented programmes also apply to them. If you think about it, even among regular employees there are plenty who work remotely, so in practical terms it feels like they are simply "an employee you don't see in the office very often." In practice, given mutual scheduling constraints, even with a nominal 50% employee system, precisely dividing time on a weekly basis proves impractical; we therefore adjust on a semi-annual basis, ensuring that 50% employees work half the hours of full-time staff over each six-month period. Within this framework, we maintain flexibility as circumstances require.

We deliberately maintain this system because it enables us to recruit highly capable individuals with deep domain expertise while enriching our internal culture through diverse working arrangements—creating mutual benefits.

Upon reflection, this is essentially the same as the situation in companies that allow side jobs, where employees who were originally full-time engage in external work. I believe that this approach could be implemented by almost any organisation.

## **You Don't Have to Put On a "Work Mask"**

In recruiting as well, we emphasise Net Protections' teal-style organisation and proceed only once candidates have a full understanding of it, thereby significantly reducing mismatches. As a result, we attract new hires who are fully committed to autonomous work—individuals who, by conventional standards, might be regarded as somewhat audacious. I will discuss the concrete recruiting practices in Chapter 3.

Consequently, while we actively recruit people like I once was, we do not seek to stifle them. As I mentioned at the beginning of this book, it is entirely natural—indeed, desirable—for employees to challenge the CEO by questioning his approach as "too lenient." We reject the notion that "young employees must be humbled at least once." One final thought: I believe it is sufficient for everyone to recognise their own potential and find a field in which they can fully express themselves. I am committed to ensuring that Net Protections remains a place where as many members as possible can thrive.

To achieve this, it is essential that our organisational culture—one in which employees need not adopt a 'work persona' distinct from their authentic selves, need not don professional 'armour,' and can speak freely while maintaining mutual respect—permeates broadly and deeply throughout the company. This fosters each individual's 'flow state' and enables the organisation to function as a federation of autonomous entrepreneurs. Each person assumes full responsibility for their work, choosing—according to their own will and judgment—what they do, how

they work, and with whom they collaborate. While influencing and being influenced by colleagues, they ultimately remain individuals. This creates a virtuous cycle.

I observe that new hires who initially focus solely on themselves gradually come to recognise Net Protections' many admirable colleagues. By experiencing how people collaborate while maintaining autonomy, their demeanour becomes more 'well-rounded.' After several years, they develop the ability to consider simultaneously—from an elevated perspective—not only their immediate responsibilities but also their relationship with society and their personal futures. Their expressions become intensely focused, their sense of 'flow' deepens, and they work with complete dedication. Colleagues actively support this transformation and provide tangible assistance.

This atmosphere drives the ongoing evolution of our teal-style organisation while serving as a safeguard against its deterioration into mere formalism.

Should I say or do something—even unintentionally—that deviates from Net Protections' organisational culture, employees would immediately voice their objections: "Shibata-san, that's not right."

What would happen if I reacted angrily and declared, "Simply do as management says!"? Employees would immediately respond: "Isn't the CEO's authoritarian suppression the very definition of 'distortion'?" Undoubtedly, one-third—perhaps even two-thirds—of our workforce would depart. Our process-intensive BNPL business would immediately collapse, and even if we somehow maintained operations, our appeal and competitive edge would irreversibly deteriorate.

The foundation underlying both our evolution into a teal-style organisation and our continued adherence to it is unquestionably the genuinely egalitarian relationships we have established. While I am human and may occasionally falter, all members have become deeply integrated within our teal-style organisation, creating a self-reinforcing dynamic that continually enhances the organisation's integrity.

## A Sharp Decline in Turnover Within Three Years

Thus far, I have presented an overview of Net Protections' current teal-style organisation and the related HR and benefits systems. Having reached this point, we have seen dramatic improvement: whereas new graduates once departed in rapid succession, today fewer than 10% leave within three years of joining.

Given my personal convictions and my journey with this company, I believe that hiring someone entails a corporate obligation to nurture their development thoroughly. Three-year turnover is a metric I monitor closely, and I find the improvement deeply encouraging.

On the other hand, employees who have been here for more than three years do leave at a certain rate. That too is, I think, a natural state of affairs, and I view it as a form of social contribution in a broad sense.

Whether, having gained a management perspective, someone actually wants to become independent, or instead feels

it suits them better to work in an executive-like way together with colleagues at Net Protections, that is entirely up to the individual. And whichever path they take, I support them.

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## **Net Protections' Competitive Advantage Lies in Our Organisational Structure**

Since this book focuses on our organisational approach, readers encountering Net Protections solely through these pages might question whether such heavy emphasis on organisational theory is sustainable, or whether our approach ultimately differs from the theoretical teal organisation model.

To address this question simply, I have created a diagram illustrating where the movement toward a teal-style organisation emerged as Net Protections' business expanded.

The key point this diagram conveys is not that “our rapidly growing BNPL business enabled us to become a teal-style organisation and bear its costs,” but rather that “becoming a teal-style organisation enabled us to expand the BNPL business and outpace our competitors.”

BNPL remains a developing business, with numerous operational stages—customer acquisition, credit assessment, billing and collection, system operations, and more—all of which must function seamlessly for service completion. Moreover, we are continuously developing new business ventures.

Net Protections' evolution into a teal-style organisation with a culture that eliminates “distortions” ensures that all functions operate seamlessly and efficiently on an ongoing basis. However, merely assembling specialists is insufficient. True excellence requires that domain experts understand one another while maintaining a comprehensive view of the business. It is through this integration that we cultivate sophisticated collective intelligence, enabling operations that are both stable and exceptional.

Although we foresaw that our foundational business, “NP Atobarai,” would eventually plateau, the rapid emergence and substantial contribution of our B2B services and “atone” resulted from our deepening commitment to the teal-style organisation during this period.

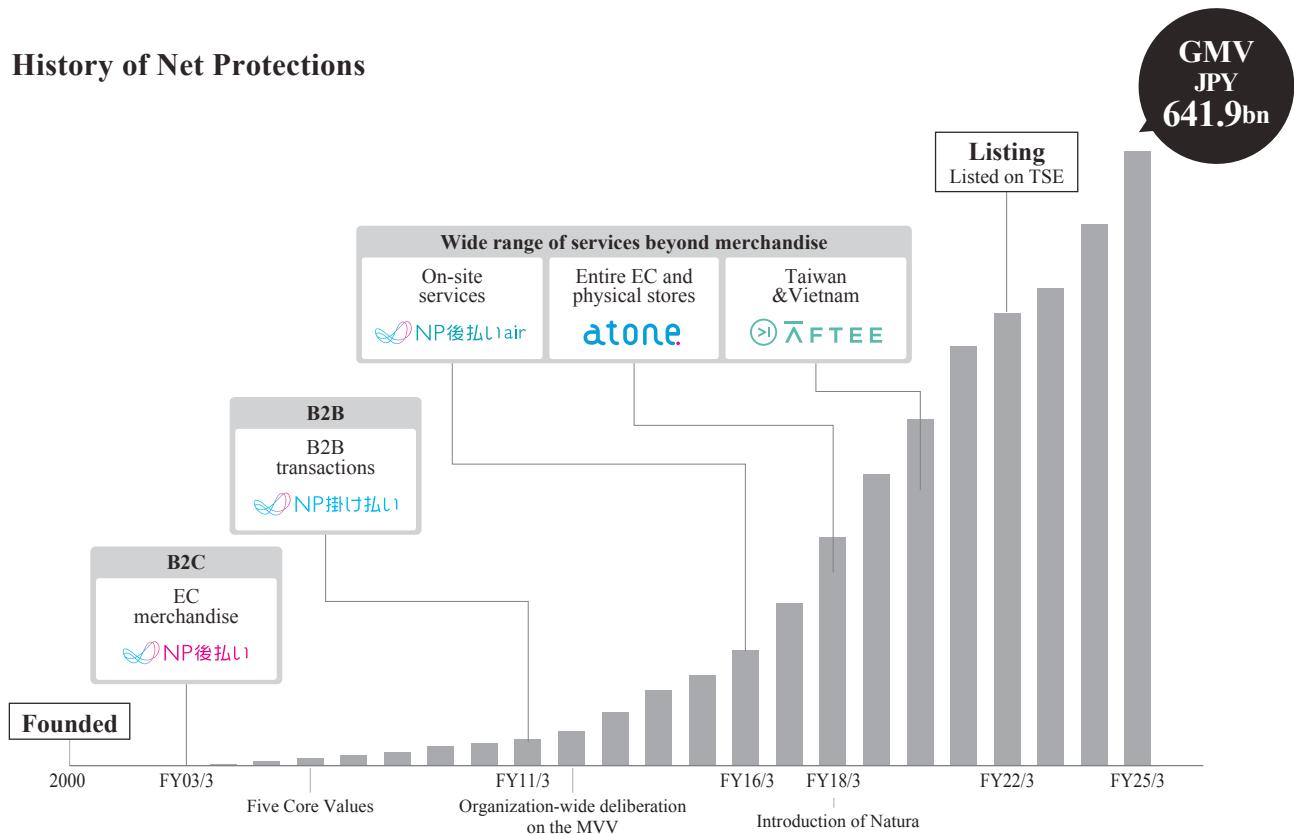
Simultaneously, because all employees operate autonomously with an entrepreneurial mindset, we not only identify and resolve problems swiftly but also discover new opportunities, share them instantly, validate them, and translate them into growth at remarkable speed. While I cannot speak to our competitors' internal operations, I am confident that none have adopted a teal-style organisation as comprehensively as we have. Consequently, replicating our execution and growth trajectory would be challenging for them, which I believe explains why Net Protections has maintained its leadership in BNPL.

In fact, it took me considerable time to become convinced that our teal-style organisation is so directly linked to growth—that robust growth is possible precisely because of this organisational model. Initially, I must admit, I viewed it as a necessity: without a teal-style organisation, employees would leave, threatening the very sustainability of our BNPL business.

However, our growth in recent years has resulted from our organisational culture evolving beyond even my expectations. I have come to recognise that this stems fundamentally from the continued evolution and maturation of our teal-style organisation.

My role as CEO now centres primarily on supporting the sustainability and evolution of this organisation. Traditional executive responsibilities have diminished significantly.

## History of Net Protections



## The “Teal-style Organisation” Perpetuates Itself and Enables Organic MVV Evolution

At this stage, I scarcely need to issue directives, affording me considerable time and mental space. I often stroll through the office, encountering spontaneous discussions about emerging business ventures, and find myself genuinely surprised by what I hear. The business continues to advance through the teal-style organisation itself, with little need for my intervention.

In other words, the business advances continuously through the teal-style organisation with minimal input from me.

How did this fortunate situation arise? My answer: Net Protections' teal-style organisation has entered a self-perpetuating phase.

Over many years, we debated our MVV and developed comprehensive systems to establish and support our teal-style organisation, creating an organisational culture likely unique in the world. Though it feels recent to me at fifty, thirteen years have passed since that grueling MVV retreat. In that time, new graduates who joined specifically because of our teal-style organisation have become seasoned professionals, now mentoring junior employees who were recruited with the understanding that this organisational model defines us.

During this period, the integrity of our teal-style organisation has continuously strengthened, and a transmissible MVV has been firmly established. I believe we have now entered a phase where the organisation will self-perpetuate and evolve to even higher levels with minimal intervention.

Net Protections' MVV is not merely framed and displayed on walls; it permeates our daily work, thinking, and communication. At this point, my role has become minimal.

In Chapter 3, I will describe the operational details of our teal-style organisation. As for my role, it would be ideal for colleagues to see me primarily as investing energy in training and roundtable sessions for new members, while otherwise engaging as an equal and responding to ideas with genuine enthusiasm. Naturally, as CEO and founder, I support the teal-style organisation quietly behind the scenes, though this may sound somewhat immodest to mention. While challenges certainly exist, it is preferable that other members remain unaware of them, allowing them to work with joy and passion.

When a new graduate tells me, “Shibata-san, you must do better here!” the sentiment resonates particularly strongly with me. Although I may feel that I originally conceived that very principle, the fact remains that I am being reminded that I am contradicting my own thinking—which I accept with humility. I find it both gratifying and encouraging that today’s new graduates have absorbed the principles of our teal-style organisation so rapidly and thoroughly.

# Chapter 3

## Lifting the Lid on How our Teal-Style Organisation Operates

### Don't Get in the Way: Everyone is Free to Do What They Want

By this point, you should have a solid understanding of the systems Net Protections has built to sustain our teal-style organisation.

In this chapter, I want to delve deeper into various scenarios and introduce episodes that will help readers visualise how the teal-style organisation actually operates in practice. In the latter half in particular, I will discuss in some detail our recruitment activities, training and roundtable sessions that are fundamental to maintaining and further developing our teal-style organisation.

First, let's take a look at how new businesses emerge.

At Net Protections, employees operate autonomously. To be more precise, we are an organisation that does not get in the way of people who have reached the stage where they are capable of operating autonomously. Since we prefer to hire people who seem capable of operating autonomously, we have become an organisation where everyone makes sure not to get in each other's way. Getting in the way would contradict our vision to "Open up New Possibilities for All."

When someone conceives a new idea, they have no need to get anyone's permission to act on it. It does not matter who does what, or if they act "on their own initiative." That is, after all, part of what autonomous operation means.

When thinking about how best to turn an idea into reality, it is likely that you will need support and advice from people with more detailed knowledge and experience. In that case, you can simply catch up with that person and arrange for a one-on-one meeting. If you do not know who the right person is to talk to, you can consult with Catalysts or senior colleagues. Those who hear about your idea will support you with all the knowledge they have and will advise you on who else to speak to in order to achieve a breakthrough.

It is in this way that several people come together, and when the possibility of moving from the concept stage through to execution and realisation starts to become truly tangible, and you want to make it an official business or system, that is the time to propose it to the Catalysts and to us in the executive team. This is because from a certain stage, organisational resources (i.e. personnel) and budget become necessary, requiring a formal business plan to be created and approval granted by the board.

Conversely, this means that anyone is completely free to act until you reach that stage. There is no need to be secretive, and no one will reprimand you for "doing unnecessary things."

To express our thinking in terms that may be more familiar to conventional companies: letting people "swim" freely up to a certain point is what ultimately strengthens Net Protections. We no longer even think of this process as

“letting them swim,” but simply watch over operations quietly and unobtrusively, in what is essentially a hands-off approach.

Yet it is from precisely this corporate culture that ideas for overseas expansion such as to Taiwan emerged, as did the application of B2B financial services and developing “atone” beyond just payment services. The same is true for the use of AI and deepening our teal-style organisation. It is by no means unusual to hear stories of people who started out supporting someone else’s initiative, before suddenly finding themselves also fully immersed and running at full speed on that initiative.

Moreover, hierarchy and age are irrelevant to this process, and there is no holding back on the part of anyone. Ideas emerge from everywhere and are shared. When voices gather saying “That’s a great idea!” and “Sounds good!” momentum builds. Some ideas are eventually weeded out, while others actually become businesses or systems.

I couldn’t be happier than to see these kinds of activities going on throughout the company. All that remains is to consider how to support them, watch over them so they can operate autonomously to the fullest, sometimes run alongside them, and think about the flow of management from a high-level and also a long-term perspective. Of course, as CEO I observe while thinking about the big picture for the company as a whole, but now that our MVV has thoroughly permeated and is mutually shared among everyone, I can say that problematic cases hardly ever arise. Currently, we have in place what I have dubbed a well-balanced “three-layer management” structure.

The first layer consists of our core business: the deferred payment business. This is the pillar of the business that I conceived from scratch and continues to this day.

The second layer comprises the financial services, advertising businesses and others arising from that core foundation. The more we pioneered and grew the deferred payment business that no one else had tackled, the more unique know-how and data we accumulated, and the more our networks expanded. Branching out from there, businesses other than deferred payments—such as finance and advertising—have grown at an accelerating pace since we became a teal-style organisation.

I think it would be perfectly fine to have a third layer comprised of people and businesses that spin out. If someone wants to leave Net Protections to start a new business, I want to support them. Rather than losing a connection with such people, we can maintain a collaborative relationship, forming a loose community based on the trust we have built together. After all, that would mean that we have sent outstanding leaders out into society.

## CEOs Don’t Give Orders

Some readers may find it hard to accept that, despite being the CEO, I do not give clear instructions.

Since Net Protections is a publicly listed company, we naturally need to explain our performance and present management plans to shareholders, investors and others. The executive team does have input in these aspects. Even so, I do not speak to employees on the ground in a way that sounds like orders; indeed, I am careful not to. It may sound somewhat dramatic, but for the past few years it has felt as though “the company is running itself.” Although

responsibility for producing the company's numbers naturally lies with the executives, including myself, my actual experience is that when we assess the current situation and future plans coming out of each department, they are what essentially become our management plan almost as they are.

Not giving orders has great significance in a teal-style organisation.

If I give explicit orders, this inevitably hinders employees' independent thinking and autonomous operations. A mindset that they must do as they are told would begin to take hold, bringing with it the risk that the organisation's flexibility and creativity will be undermined. That is precisely the reason why I do not give top-down orders.

For example, we rarely hold formal management meetings, and the main purpose when they are held is to confirm agenda items. Verification and decision-making are completed on the ground, and since we trust this process, the matters that come up to management meetings are narrowed down and highly refined. There is little need for us to make decisions. Of course, in extreme cases we might put a stop to something, and governance structures are in place, but I can hardly recall any cases where we have actually had to intervene.

So, does this mean that I, as the CEO who started the business, say absolutely nothing in a teal-style organisation? That is not quite the case.

As a matter of course, I have many opportunities to speak individually with Catalysts and senior members in each business area. In those discussions, too, I share my thoughts and ideas freely as just another member, and likewise I hear all sorts of things from them. I have the sense that the information and ideas we exchange are thus shared, influencing one another as they spread throughout the entire organisation. However, I do not give orders like "I want this done by this date."

When things work in this way, it hardly matters who originally said what. It is quite common to see an idea I probably thought up first being so passionately discussed sometime later by a second- or third-year employee that you would think that they had conceived it themselves. For all I know, I too may be getting excited about something I heard from someone else, interpreting it in my own way.

In some cases, I happen to discover by chance that an idea I originally had is being realised in a far more wonderful form than if I had worked on it directly myself, which is something that is both pleasing and surprising. This flexibility, or what some might call "looseness," is the source of our competitive strength.

Presenting numbers or targets tends to come across as a directive, so I try not to make them too specific. This is because once you put any kind of constraint on people, their thinking inevitably becomes limited, and the work tends to turn into a box ticking exercise; just trying to hit the required numbers. If you hinder everyone's autonomy, growth ultimately stalls and the numbers don't materialise anyway, so it is better by far to let people operate autonomously from the off. There may be things we sacrifice in the short term by choosing this approach, and I myself was not free from the other way of thinking in the past. I will discuss this later, but now I am almost 100% convinced that the approach of "not giving orders" is the correct one.

## Why We Hold Company-Wide Meetings and Social Events

In our quest to create a situation where all employees are, almost before they know it, talking wholeheartedly about all sorts of things, we have tried to organise as many meetings and social events as possible as a fundamental, if somewhat unglamorous, method. At the same time, we don't want these events to feel compulsory, so participation is basically on a voluntary basis.

First, in terms of more official events, we hold a company-wide meeting once a quarter after the earnings announcement, where the CFO and I report on the results for the quarter just ended. Separately, we hold a "Company-wide Kick-off Event" every six months, where not only I but representatives from each department share future policies and goals, followed by a party to further enhance a sense of togetherness.

Incidentally, during the COVID-19 pandemic, when we were unable to gather in a physical space, we had to hold our events online. The excitement and emotion when we were finally able to hold in-person events again still remains strongly in my heart. A teal-style organisation can function perfectly well online, and this has expanded the range and freedom of individual working styles. Nonetheless, I realised that people still want to see each other's faces and interact directly from time to time.

Even so, I have no intention of forcing similar thinking on everyone. Some people are perfectly happy with everything being held online, and some think it is sufficient to review presentation content later. I have no intention of denying them their personal preferences.

We also hold several more casual, fun-focused events. Darts tournaments, barbecues, Christmas parties and so on are held reasonably frequently, where we enable people to interact in relaxed settings with various colleagues with the company covering the costs.

Such occasions are effective for maintaining and synergistically developing relationships with other employees formed not only through work but through families and the like. If you expand your network to encompass "friends of friends," you can meet people ideally suited to consult about the work you are currently tackling, giving rise to new relationships, and see possibilities expand from there. We support everyone by increasing the quality and quantity of these connections across the board.

Of course, those who are not comfortable gathering in large groups and socialising over drinks are in no way obliged to participate.

## How the 360-Degree Evaluations and Band System Operate

In Chapter 2, I gave an overview and explained the significance of 360-degree evaluations and the Band system. Here, let me delve deeper into how they operate.

In 360-degree evaluations, you do not receive high marks simply for having high task execution ability. At Net Protections, there are four competencies subject to evaluation: "Task Execution," "Management Perspective,"

“Collaboration” and “Growth Support.” Competencies ranging from Bands 1 through 6 are codified for each, and scores are assigned with reference to these Bands. These evaluations are combined, and this is how one’s Band rises (see the table on the following page).

Some companies may evaluate only task execution ability, or only the resulting numbers. However, in a teal-style organisation like Net Protections, these are merely single elements of evaluation. To put it bluntly, if someone specialises only in a specific area, it can actually become a nuisance.

Even if someone gets through a lot of work individually, if they lack understanding of the MVV or a perspective on the colleagues they work with, or if their communication is lacking and what they normally do is opaque to others, yet they order juniors around as they please, then no matter how much they achieve on their own, they won’t be valued, because their overall impact on the organisation is negative. Some companies might treat such a person as being a lone wolf or as someone who needs to be indulged a little as they’re producing results. However, at Net Protections, we would use the evaluation to provide support, noting that while a person’s task execution ability is high, ways need to be found to improve other qualities. That said, we no longer hire people who seem unlikely to be collaborative in the first place, so serious problems rarely arise these days.

At the same time, even for someone in their first year at the company, we evaluate their “Management Perspective.” Whether they are working while thinking about “what will make the company as a whole succeed” is something that is evaluated, even for new employees. Since this is partly a matter of sense and familiarity, it may not happen immediately. But as I mentioned earlier, management-level information is almost entirely disclosed, and senior colleagues around the new recruits are all operating autonomously with a management perspective, so it is just a matter of gaining experience. Eventually, their business sense will steadily improve, and they will be able to operate autonomously at a high level themselves.

Furthermore, whether you can support not only your own autonomous operation but that of others is also subject to evaluation. Here too, there is much to learn from watching senior colleagues and Catalysts who support your own autonomous operation. Eventually, you come to think truly like an executive member, speaking about business while considering from a high-level vantage point what it is that you want to do and your contribution to those around you, the current state of the company and industry, and giving back to society. You come to understand what you want to do and what you should do. When you reach this point, it is natural to receive high evaluations from those around you, and your Band will naturally therefore rise.

However, it is true that “Management Perspective,” “Collaboration” and “Growth Support” are difficult to quantify, and there is a risk that evaluations may become subjective. Net Protections’ 360-degree evaluations therefore incorporates several innovations.

First, when conducting a person’s 360-degree evaluations, the base scores are assigned by five to ten people who work closely with them, and the final evaluation is deliberated by an evaluation committee comprising all members of higher Bands than the person being evaluated. In this way, even if individual evaluators’ scores are subjective, thanks to the fact that scores are assigned by multiple people and then verified, fairness and objectivity are significantly enhanced. It also helps those being evaluated feel more convinced about the outcome.

Naturally, since everyone gets involved in the 360-degree evaluations of so many people, scores become relativised.

Identifying who has an excellent management perspective, or who is proactive in collaboration; these are qualities that are scored through comparisons. Moreover, it is also straightforward to compare the assessment of an individual being considered for a Band increase with documented examples of those already in that Band. Since all information is available in a transparent manner, the fairness of decisions regarding whether or not to increase a person's Band is fully ensured.

In addition, comments as well as scores are included in the 360-degree evaluations. These observations become important learning opportunities and lead to further growth.

Also, as I noted above, the person being evaluated gets to decide who evaluates them. Naturally, they will ask people with whom they have regular contact and are working collaboratively with. Therefore, whatever the result of the evaluation, it becomes easier for the person to accept it as having been objective and fair.

At the same time, you will probably receive requests for evaluation from multiple people. Naturally, you will strive to evaluate sincerely and objectively, and the very act of "evaluating others" itself has a significant effect on your own growth. Simply put, if you evaluate others by some kind of standard, you cannot help but apply the same yardstick to yourself.

In conventional companies, an opportunity to get involved in such a cycle may often be available only when one becomes a manager, but because I believe that is too late, we have a system where even first-year employees become evaluators.

Digressing slightly, this practice is not limited solely to personnel evaluations. In parallel, in various departments and teams, people participate in discussing business vision, formulating strategy and budget planning from their first year of employment. Rather than being told to suddenly adopt a management perspective, they work in a way where they naturally and matter-of-factly develop such a perspective in the course of their work.

As a result, it becomes harder to misunderstand the words of executives or managers, or for things to become like a game of Chinese whispers, or for people to twist things and act as they please. Since everyone has their own management perspective, the more they can operate autonomously, the higher their perspective develops and the greater their accuracy regarding business becomes. This brings balance to the process and reduces the likelihood of the unfounded theories, repetitive grievances, and immature criticisms that young employees in other companies may be susceptible to. Wasteful and exhausting conflicts can thus be prevented. If there is a problem, you can gather knowledge to solve it from a high-level management perspective, because in a teal-style organisation, everyone bears that responsibility.

## **All Executives, Myself Included, Also Receive 360-Degree Evaluations**

It probably should go without saying, but I, along with all executives and senior employees such as Catalysts, also receive our own 360-degree evaluations. Although executives are technically outside the Band system, it is still important to receive objective and fair evaluation and to reflect on the results. In fact, if we decided that only executives would be exempt from evaluation, we would surely be on the receiving end of harsh criticism from many employees, with questions like: "Why?", "Isn't that distorted?", "You don't think you're gods, do you?"

In one of my own previous evaluations, someone gave me a 1 (the lowest rating) for "Management Perspective." In

other words, I was evaluated as being at the same level as a new graduate. But that too was an important observation.

Sometimes I'm happy to read comments expressing gratitude. On the other hand, a little while ago I also received rather harsh observations such as: "Shibata-san seems to love the XX business, but we need help in the YY business too," "When Shibata-san starts saying things that sound like instructions, it's hard to stay motivated," and "You should be more careful when mentioning episodes involving specific individuals."

Even if I did not intend it that way, simply knowing that is how something appears to others leads to growth. No matter how much I think about the MVV, there are always some aspects where I won't be able to perceive just on my own if I am truly upholding it. I am only one person after all, so I may waver, and since I am making judgements based on common sense and knowledge formed from what I have seen and heard, there will inevitably be parts I may fail to notice myself.

This is where evaluations and observations from employees around me who share the same MVV becomes so important. In objective terms I find it to be a highly practical system because the evaluations are provided in each person's own authentic words, without any trace of dishonesty.

Given that the evaluation system exists solely for the growth of employees and the teal-style organisation, now that it is functioning well, a virtuous cycle has been created. People who are highly evaluated by everyone advance through the Bands, and by helping other employees operate autonomously, they contribute to the further maturation of the organisation as a whole.

## How the Band System Is Reviewed

The Band system has been operating with six levels since 2025, and the transition from Band 2 to Band 3 is a particularly significant milestone.

A Band 3 person is positioned as the "ace" of a department or team. It means that, based on having received high individual evaluations, a person becomes a leader of a department or project, bringing together multiple employees. In other words, it is a critical stage that impacts team outcomes. Therefore, for promotions, all current employees at Band 3 and above—presently nearly 100 people—gather once every six months to discuss each of the 10 to 20 or so candidates one by one before coming to a decision. The content of these discussions is too sensitive to disclose company wide. They are also quite rigorous, taking three to five hours in total to reach a conclusion.

The reason for this approach is because without rigorous review at this stage, there is a risk that standards could slip, something along the lines of: "If he was promoted, then she should be too, and then this person as well...." Therefore, in discussions, to prevent overemphasis on opinions from people who regularly work with candidates, we explicitly incorporate calm evaluations from multiple angles, not just from within the department. By regularly holding similar discussions, we also ensure that everyone constantly aligns and shares the standards and sense of what it takes and what it means to reach Band 3.

That said, there are young people who reach Band 3 with surprising speed. They do so because, even from the perspective of 100 people, it is obvious that they have what it takes to reach Band 3.

Promotion from Band 3 to Band 4 adds yet another new element. Band 4 is the Band at which one can become a Catalyst, as discussed in Chapter 2, and for this, what might be called “personal maturity” and “the attitude of being able to restrain oneself and shift to taking a supportive role when necessary” are essential. As an operational policy, it is rare for anyone to reach Band 4 in their twenties, no matter how excellent they are. If someone reaches this Band too early, it can even lead to early resignation, as people might think “I really wanted more time to grow on my own ....”

Those in their twenties who have only recently entered the workforce tend to think “I want to do it,” “I want to do it this way,” “It’s faster if I do it myself,” and above all, “The best results come if I do it myself.” I think that is fine.

Therefore, we place importance on letting them use that momentum to tackle work, running on their own until they are satisfied with work that they find interesting. It’s perfectly fine if they only come to genuinely appreciate the importance of supporting others’ self driven growth at a later stage; this is something that typically develops through experience and accumulated achievements.

In practice, once a person has advanced to a higher Band has risen, they generally don’t drop down again, except in exceptional cases.

However, there are cases where, for some reason, evaluation within the current Band becomes markedly low, and their current scores do not even meet the standards for that Band.

This is not a common occurrence, but since there is no doubt that evaluations are conducted objectively and fairly, it is clear that problems must be identified and resolved. Generally, through meetings and consultations, the issues and methods for improvement and resolution are shared, and the situation is monitored for at least about six months.

## **The “B+” System for Addressing Competition for Talent**

There is also a system called “B+” (Band Plus) that operates in a somewhat different sense from the evaluation system for the teal-style organisation.

The basic principle for Net Protections employees’ salaries is seniority within Bands, with achievements in work evaluated through semi-annual bonuses. However, in today’s era of declining birthrates, not only in the BNPL business but across industries, young and talented individuals are in fierce demand and competition over them is intense. As a result, relying solely on Net Protections’ uniform internal compensation standards can sometimes create a significant gap between internal pay levels and the market value of such talent.

To put it simply, system engineers and data scientists are easily compared and evaluated in the job market. Currently,

it is not uncommon for Net Protections employees with objectively exceptional skills in these fields to be scouted by external companies and offered high salaries.

Moreover, it is fair to say that no one is doing the same work—the scope of work covered and the fields of ability demonstrated differ by individual, so the contributions that should be evaluated are wide-ranging. For example, if someone handles legal affairs but also helps with sales because they are fluent in foreign languages, and continues to contribute significantly to performance, normal evaluation alone may not adequately reward their contribution.

Therefore, without a mechanism to evaluate cases where someone's contribution through their skills exceeds their salary, we would continue to face the risk of losing talented people who are handling business-critical work, no matter how attracted they may be to the teal-style organisation. That is why we created a system to rationally reflect the gap with market value in salary; for cases where the market valuation of someone's skills is judged to exceed their current Band's salary, where they are judged to be contributing beyond their current evaluation in multiple areas, and where this does not involve Band promotion.

Consequently, in practice this system is currently most often applied to Band 3 employees.

The same applies to mid-career hires. It takes some time to become accustomed to Net Protections' organisational culture and start operating autonomously within it, and we cannot simply assign someone to a high Band just because their previous salary was high. However, if left unadjusted, we risk falling behind in the competition for talent in the external hiring market. In such cases too, we apply "B+" which allows for salary levels to be adjusted accordingly.

Notably, "B+" is not only proposed by the company, it is the case that employees can also request it themselves. Currently, it is applied to just over 10 per cent of all employees.

## **“Growth Support Vision Sheets” and the One-on-One Meeting System**

The one-on-one meeting system, which allows anyone to meet one-on-one with anyone at any time, and the “Growth Support Vision Sheet,” which all employees fill in about their future every six months and which is disclosed to all employees, are important elements supporting the teal-style organisation.

In other words, with both systems in place, other employees know what kind of person a given employee is, what they are currently thinking, and what they value. Moreover, anyone can freely talk to anyone, at any time, on any topic.

First, the Vision Sheet, as you can see from the examples, is designed for writing not only one’s vision as a Net Protections employee but also one’s vision as a human being.

This means that everyone discloses what they are aiming for and what they want to do in the future to achieve it. In addition, when anyone can talk to anyone, I recognise that this ultimately means that the CEO’s authority over personnel decisions, as it exists in conventional companies, has effectively disappeared.

You can advocate for what you want to do, go to the person handling the work you want to do, and promote yourself in a one-on-one meeting. Put simply, you can determine your own personnel transfers. People in your current department have no grounds to complain. After all, there is no way to stop someone who has clearly stated their vision on the Vision Sheet from acting in accordance with that vision.

It is no longer a situation where HR, executives and management discuss personnel transfers behind closed doors. On the contrary, employees who have written transfer requests on their Vision Sheets push back, asking “When are you going to transfer me?”

The content of the Vision Sheet truly represents “your authentic self.” It is perfectly fine to write that you want to focus on childcare at this point in your life, or that you want to live in Osaka to care for your parents, that you want to transfer to some place in one year’s time, resign in three years, or be running your own company in five years. You will not be criticised for neglecting your current work. There are no taboos, and even if you are sceptical about opening up at first, looking at other employees’ Vision Sheets will show you that no-one holds back.

Conversely, for mid-career hires, based on their previous working experience, there seems to be a period where they hesitate to disclose so much about themselves within the company. That too is entirely up to them. The sheets are self-reviewed every six months, with revisions and additions made as needed.

When things work this way, the company Net Protections as a teal-style organisation may be likened to a bus that people who happen to be travelling in the same direction have boarded together. Everyone looks out for each other so that all can travel safely and have a comfortable, fulfilling journey. But when you reach your destination, you get off as and when you want to, of your own volition. That’s the sort of vibe we have.

## **Even New Employees Can Have One-on-One Meetings with the CEO**

The operation of one-on-one meetings is, in practice, a situation where requests like “Could you hear me out for a moment?” and “I have something to discuss, could we meet?” freely fly about from person to person.

I am also of course included in such meetings. A little while ago, an employee in their twenties who was scheduled to move to Osaka asked me to “have a meeting about career before that,” so we talked one-on-one for about 30 minutes. In an extreme case, someone who had already resigned and was no longer a Net Protections employee said, “I didn’t get to talk to you at the end, so I’d like to meet again to express my thanks.” I accepted without hesitation and found myself saying things like “Good luck, it would be nice if we could work together again.”

When I tell such stories, people usually express surprise, saying “It’s unthinkable for young employees and the CEO to talk so casually at such close range.” But at Net Protections it has become so natural that we cannot understand why people are surprised.

In traditional organisational theory, it may indeed be taboo to bypass one’s direct superior and consult with someone higher up the management chain. But since we all operate autonomously and managers have been abolished, that way of thinking simply does not occur to us in the first place.

## **Personnel Transfers Happen Organically**

In conventional companies, personnel transfers are probably implemented in a pattern where people in administrative positions coordinate and communicate decisions to the individuals concerned in a top-down manner. At Net Protections today, however, to put it somewhat dramatically, it feels like “employees are transferring on their own” without the knowledge of management. At the very least I have not been actively involved in personnel transfers for years. I trust the placements and transfers that everyone considers appropriate, and since people concurrently handle various complex duties, I can no longer perfectly keep track of everything. Of course, I do approve personnel matters, but when I meet someone after a long time and realise their department seems to have changed without my noticing, I find myself feeling surprised.

Today’s personnel transfers come about organically and spontaneously, emerging from the individual’s own self driven thinking combined with the circumstances surrounding them. Of course, if someone just pushes their own wishes without securing agreement from the destination department, it may be difficult to gain acceptance from those around them. But when someone writes “I want to transfer and leverage my abilities in this kind of work” on their Vision Sheet, constantly voices their wishes to Catalysts and others, and those working with them understand their abilities and support them because of significant past contributions, then at some point the personnel transfer occurs as a natural progression.

In this process, there is no need to consult HR or management in advance, the only requirement is to report what has been decided. Unless there is a critical governance issue, even if consulted, we can only advise them to discuss

thoroughly with each other before coming to a decision.

Moreover, in a situation where new businesses and work are constantly expanding, the more senior people become, the more common it is for them to hold multiple concurrent positions rather than transferring between departments.

Particularly for those who joined us as new graduates, it is not unusual for them to end up involved in various departments as a result of the natural flow of work, and when they take on leadership roles, it is also normal to be involved in work across three or four departments. The concept of personnel transfers may therefore no longer be easily applicable to our style. Or rather, as the teal-style organisation matures and various operations move in an integrated manner, leaders such as Catalysts naturally take on multiple concurrent roles. Arguably it is those people who are able to do so who are better suited to be leaders.

## **People Who Fit with the “Teal-style Organisation” Come Together to Further Develop It**

More than ten years have passed since we became a teal-style organisation, and especially in recent years, I feel that the organisation has deepened and matured, and the company has been growing at an accelerating pace.

If we assess the reasons objectively, it comes down to the fact that the only ones who remain are those who truly fit a teal style organisation, namely those who feel that they can work most authentically in such an organisation. Employees who newly join already share an affinity for the teal-style model and take its functioning for granted. Therefore, only minor adjustments or fine tuning are needed within the organisation; from there on, everyone simply moves forward by operating autonomously.

However, it is very important to firmly maintain such a system. As the CEO, founder, and person responsible for the transition to a teal-style organisation, I keenly feel that instead of giving instructions or knowing the details of personnel transfers, one of my greatest responsibilities is now becoming the hiring of people who fit with the teal-style organisation, explaining the history and operation of the organisation, and conveying and passing on the message that people are free to work in whatever ways they see fit. Of course, as the CEO of a publicly listed company, my top priority is to expand the BNPL business and generate profits to return to shareholders. However, I am challenging myself to maximise that priority by thoroughly implementing the teal-style organisation. The critical entry point for that is currently recruitment.

Therefore, in recruitment processes, I explain the teal-style organisation as much as, if not more than, BNPL and its potential. While business is the main focus when providing explanations to shareholders, in recruitment it is actually problematic if people are attracted only to the business. The criteria on which we judge candidates are whether they understand that it is precisely because we are a teal-style organisation that we are at the forefront of BNPL, whether they want to work within such an organisation, and whether they can respect others' autonomous operation while operating autonomously themselves.

It is on that basis that we select hires. Since the Values (Five Values) described in Chapter 1 were established, the direction of “wanting to work with this kind of person” has become clear, and the basic policy of hiring based on this approach has remained unchanged for nearly 20 years. During this time, the people we have hired have been active in ways that increasingly elevate the teal-style organisation, so our confidence has deepened year by year.

Additionally, as also described in Chapter 1, an urgent issue while struggling with delegation was how to hire and develop people who could be entrusted with management. Therefore, for a certain senior level, in addition to the Five Values, we also look at whether their vision of the organisation they want to create aligns with our Seven Visions.

Although I refer to recruitment as part of a CEO’s responsibility, hiring has grown larger in scale year by year, and I have recently stepped back from the front lines. I now only get involved partway through, specifically in interviews for senior mid-career hires who could immediately become the company’s mid-level core employees.

That being said, I have probably interviewed more than 2,000 people to date, spending 60 to 90 minutes talking with each one, so I have a certain confidence in my interviewing skills. As long as my colleagues verify skills and so on beforehand and then let me interview a candidate, the risk of mistakes at the hiring stage has become almost negligible.

Today, in the early stages of recruitment, many young employees—probably more than 60 per cent of the total—participate in interviews. They were themselves selected through similar interviews and have started operating autonomously in the teal-style organisation, establishing their own image of the company. As I mentioned above, they have undergone 360-degree evaluations multiple times and are also capable evaluators themselves, so even young employees find it easier to select people from the perspective of choosing colleagues they want to work with.

Candidates, especially at the first round interview stage, can also request in advance which senior employees they would like to speak with, based on the kind of work those employees do. This is similar to the concept of being able to nominate who evaluates you in the 360-degree evaluations.

Let me briefly share, from the hiring side, why we conduct such long interviews. In evaluating according to our Five Values, starting from the person’s upbringing, taking into account their experiences and way of thinking, we carefully assess whether they are a match with current Net Protections colleagues and whether they will be able to grow while giving to and receiving from one other. That is why interviews are always conducted one-on-one or one-on-two. Given that we spend so much time and conduct at least three interviews totalling about four hours before hiring, we can thus determine with considerable accuracy whether the candidate is a good fit for Net Protections. We do ask general questions like “What did you focus on during your student days?” and “What do you want to do at this company?” But more important than that is capturing a picture of what kind of life the person has led and what they are thinking. A typical interview may be about 15 to 30 minutes, but in such a short time, you would be fully occupied just interviewing the person based on their submitted documents. For me, that alone would be a frighteningly insufficient basis on which to make a judgement.

Some may feel that such long interviews are also hard and burdensome for the interviewer. I actually have moments when I think so too. I may be busy with other work, or I may happen to be feeling unwell. I am only human, so I can’t say I never find it troublesome.

However, for those who come to be interviewed, it may be a once-in-a-lifetime encounter, and it goes without saying that for good hiring, it is important to engage with maximum sincerity with everyone. Moreover, even if a candidate is not ultimately hired, a poor impression made by any Net Protections employee could lead to reputational risk in ways we cannot predict.

So, before I step into any interview, I always cast a kind of spell on myself, repeating, “I can’t help but like the person I’m about to meet.” It’s a simple technique, but one I can genuinely recommend for interviews.

Since I cannot help but like them, talking is always enjoyable, and I can approach it with a fun, relaxed attitude as an interviewer. That way, I can definitely draw out their personality better.

When we later ask employees who joined about their experience, they generally say “The interview was fun.” Like me, people fundamentally like talking about themselves and being listened to. In interviews, you can make good use of this, showing interest and attention to encourage them to talk freely, while delving into questions on each topic.

Currently, I only do direct interviews at the final stage for senior mid-career hires. In mid career hiring, we make the required skills public, and applicants understand those criteria before reaching the final stage. By that point, the assessment of their abilities has already been thoroughly completed. That is why, even in these final stage interviews, I make an effort to understand the person’s humanity and essential human character.

## **Harmony Between New Graduates and Mid-career Hires**

Let me mention two points about our recruitment strategy for further growing and deepening the teal-style organisation.

First is the balance between new graduates and mid-career hires. In terms of ratio alone, it is currently roughly 7:3.

New graduates naturally come in with almost no knowledge of what BNPL is. But now, more than ten years after becoming a teal-style organisation, many of the employees leading each department and business, and conceiving and discovering new businesses, are those who joined as new graduates. BNPL itself is a business without a long history, and there are hardly any industry veterans who have been watching BNPL for many years, so this makes sense when you think about it.

On the other hand, mid-career hires are often specialists with clearly defined skills and abilities at their time of hiring, so I feel that they often function in a way that helps and reinforces the free thinking of new graduate employees. Or perhaps, while new graduates play the role of continuously expanding business horizontally, mid-career hires are those who deepen each area vertically. Neither is superior or inferior to the other.

On the other hand, as I mentioned above, the only work experience that new graduates possess is with Net Protections, in a sense they take the teal-style organisation for granted and may not fully appreciate just how unique

our company is in current Japanese corporate culture. In contrast, mid-career hires can easily compare us with their previous companies, so they are well-placed to speak about Net Protections' unique qualities with strong conviction.

Communicating with each other in these ways may also be an important element in shaping our teal-style organisation.

## **Benefits of Increasing Objective Recognition for Our Teal-style Organisation**

We built our teal-style organisation through trial and error, without imitating anyone. More than ten years have passed since our efforts began, and I feel we have reached a point where the organisation now operates stably.

Having entered a stage where the business can grow precisely because it is a teal-style organisation, I am pleased that opportunities to receive objective recognition have increased. This has also brought with it the additional benefit of making recruitment easier.

In the “ZeroDX Awards,” which recognise innovative companies around the world that are breaking through barriers of bureaucracy and hierarchy, we received the “Emergent Excellence” award in 2024 and the higher “Benchmark Innovator” award in 2025—two consecutive years of recognition. The reasons cited were that we had transformed from a traditional hierarchical organisation to an autonomous teal-style organisation, enabling employees to pursue self-realisation while tackling management challenges with high motivation, and that we are a leading company driving the BNPL industry. Looking at the other award recipients, they are all overseas companies, and we are rather surprised to find ourselves in such company. We did not create our teal-style organisation to win awards, yet somehow, we have been recognised as occupying a very strong position in global trends. I feel both pleased and strongly surprised at this outcome.

In 2025, we also received the “Employee Success Award” at the “Sustainable Growth Company Award 2025,” hosted by Funai Soken Holdings and operated by Funai Consulting, selected from approximately 12,000 entrant companies.

For this award, companies aiming to transform regions and industries while positively impacting society and the nation are defined as Sustainable Growth Companies, and selections and awards are made from perspectives of organisational strength and ESG. The Employee Success Award that we received indicates, as its name suggests, how successful employees are. As I have repeatedly stated, we have consistently operated based on the belief that when all employees think spontaneously and grow towards their own goals while operating autonomously, it leads to success that no other company can match. I feel that this award, which recognises that point, holds great significance.

I also feel that the fact that many employees who have joined appreciate Net Protections' teal-style organisation has come to be reflected in recent years in word-of-mouth reviews on job information sites, which has greatly contributed to recruitment successes.

On “OpenWork,” which has one of the largest numbers of employee reviews in Japan and is said to be viewed by 60 per cent of job seekers, Net Protections ranks in the top 10 in overall evaluation among more than 180,000 listed companies. The other companies in the ranking are all well-known companies with strong brand power, so we too are surprised to find ourselves in such esteemed company.

As for the reasons behind these strong evaluations, it seems that high scores in areas such as the growth environment for employees in their twenties, openness in communication, and mutual respect among employees play a major role. But what is particularly noteworthy is that the company receives consistently high ratings across all of its evaluation categories, without exception.

Since we cannot do anything ourselves about high ratings on externally operated review sites, I recognise this as purely the result of deepening our teal-style organisation and our members working passionately within it.

And as these positive evaluations have become visible from the outside, more candidates who are well suited to a teal style organisation have begun applying to Net Protections, thus creating an even stronger self-perpetuating cycle.

If I may say so myself, since becoming a teal-style organisation, we have been confident that if job seekers would just experience our internships, they would realise the excitement of working at our company. The problem was that initially our name recognition was not high and understanding of the BNPL business remained low, so it was difficult to get people to apply and join us. Now it feels like a completely different era.

However, with the declining birth rate reducing the absolute number of new graduates and competition for talent intensifying year by year, it is also true that we cannot afford to be complacent. Even so, we are determined never to make forced hires or hires just to make up the numbers.

No matter how fast the company is growing or how strong the hiring requests are from the field, if we start filling positions just to make up the numbers—judging candidates only by their skills—it will ultimately harm our teal-style organisation itself and lead to difficulties later on. We never compromise on this point.

There are also people who leave Net Protections for various reasons, but recently they have often seemed to praise their former workplace. Particularly for those who joined as new graduates, when they go to another company having only known working life at Net Protections, they are sometimes dumbfounded to realise that their new company does not allow as much autonomous operation as Net Protections did.

In this situation, some people return to Net Protections as “boomerang” employees. In such cases, they go through the hiring process again, but this time as mid-career hires.

## The Reason Why We Spend So Much Time on Training and Secondments

We have long placed emphasis on training for newly hired employees, and our methods have become quite refined over time. This applies equally to new graduates and mid-career hires. Rather than having them jump straight into the field, restraining their eagerness and having them go through robust training results in the individuals finding it easier to operate autonomously in the medium to long term, and also raises the overall level of the company.

Starting with mid-career hires; in the first instance they receive about one hour of orientation from me personally. In my talk, rather than presenting a business overview, I thoroughly explain our philosophy—our MVV and the teal-style organisation—exactly as I have explained in this book.

After that, they first spend about a week getting an overview of the work in their assigned department. What follows is somewhat distinctive. Despite having joined mid-career precisely because they have expertise and strengths, rather than immediately taking on work, they go on “secondments” out of that department.

Mid career hires are generally expected to be ready to contribute immediately, but we intentionally take a different approach. We have them rotate through three or four departments connected to the one that they will eventually join, spending about a week in each, although it can be for as long as a month. The host departments and the length of each rotation are determined by the team to which they will ultimately belong.

Some people may be irritated, thinking, “Why won’t they let me get on with my job,” but when it is over, most mid-career hires feel “the secondments were worthwhile.” Since all departments accept secondees from related departments, everyone is used to it and always welcoming. While observing work and receiving explanations, secondees can gradually build relationships with the people around them, see what kind of people work in what ways in the areas they will be working on, think about how they will approach their own work, and even learn the faces and names of many colleagues.

The background to this practice is not only the desire to address the problem that mid-career hires tend to have weaker interpersonal relationships, but also the rule-of-thumb that even mid-career employees who join “full of enthusiasm” tend to achieve better results if they first understand how to channel that enthusiasm before they hit the ground running. If someone with the attitude of “I’m an expert in this field” suddenly starts operating in ways uncharacteristic of a teal-style organisation, it could actually be detrimental to overall performance. It is enough for them to start operating autonomously once they are ready, after training and secondments. We also hold roundtable sessions with mid-career hires, which I will go into more detail about below.

Training for new graduates is naturally longer than for mid-career hires. After my training on the philosophy of the company, we conduct about one month of group training, covering more general training on all the areas that support Net Protections. Regardless of which department someone will be assigned to, they receive training on the work that comprises the BNPL business, including the payment business and regulations, IT skills and systems, data science and so on. Even if they cannot master everything through training alone, I think it is important that everyone has an understanding and appreciation of concepts up to a certain level. This will later connect to the depth and breadth of thinking when they begin operating autonomously.

We also incorporate time within training for people to assess and consider their own careers, to which senior employees are invited. This connects through to the Vision Sheet I mentioned earlier.

We also run programmes that simulate future autonomous operation, such as having the new hires conceive and run their own projects.

Assuming that someone joins in April, training conducted together with everyone continues until around August, after which comes job assignment. By this stage, most new graduates are eager to be assigned soon. Even so, the time to assignment has been considerably shortened—in the past training used to last about nine months. We have been able to receive candid feedback on such views and feelings through the roundtable sessions I will describe next, and so we have gradually adjusted to arrive at our current state.

## **At Present, the Most Important Task for the CEO Is Holding Roundtable Sessions with New Hires**

“Roundtable sessions,” which start around the time people transition from training to assignment, may be currently one of the most important jobs for me as CEO.

As I mentioned earlier, these roundtable sessions originated from gatherings where I would listen to concerns and offer advice to new graduate employees in a department that happened to be under my direct supervision. They were formalised around 2015 to include everyone and have further developed since then.

First, in terms of how we operate them, both new graduates and mid-career hires participate online, with me and four or five participants gathering to talk for about an hour. They are essentially a series of one-on-one meetings between myself and each person, while the other members listen. Of course, minutes are taken and disclosed, so people can learn about the content of roundtable sessions they did not participate in.

For new graduates, we basically continue discussions with the same members, whereas for mid-career hires, people whose schedules align schedule slots and we rotate members each time.

Roundtable sessions are held once every one- to one-and-a-half months. For new graduates, they continue for about one year after training ends. This means the final session comes nearly one-and-a-half years after joining. Generally, about 10 sessions are held per person. For mid-career hires, it is six sessions over the course of six months.

I serve as facilitator of these roundtable sessions, asking each participant about their current situation, recent thoughts, and what they want to do going forward; essentially asking them, “How are things lately?” We start with topics like how training was, what they learned, and so on. If they have any concerns or things they are uncertain about, they are welcome to bring them up freely. Once they become accustomed to the company and the roundtable format, discussions increasingly include things like “This is a problem in my department, and I want to improve it.” By the time the one-year roundtable discussion comes around, I am sometimes surprised to hear them discussing

advanced work that I cannot immediately understand.

For mid-career hires, perhaps because they lack the sense of camaraderie that comes from having peers from the same intake and also have fewer opportunities to spend time talking about themselves to others, I become the person they have the most in-depth conversations with, particularly in the early roundtable sessions. Since they have the experience of their previous job for comparison, they immediately understand the uniqueness of the teal-style organisation, so there is no shortage of things for us to talk about. And unlike new graduates, I feel that mid career hires are often regarded as integrating smoothly because the previously mentioned “secondments,” and the roundtable sessions are carried out in parallel.

By talking regularly with each person in this way, I get to understand and know every single person, be they new graduate or mid-career hires. Not just their faces, names and nicknames, but also their different ways of thinking and perspectives, their current situations and goals.

Even after the series of roundtable sessions has ended, I am confident that if I suddenly bump into anyone, we can have a casual chat.

## **Roundtable sessions Present a High “Return on Investment”**

These roundtable sessions may seem to require tremendous time and effort, but I feel that their benefits and return on investment are very high.

First, through direct communication with me, I am able to personally convey the key elements of the teal-style organisation to each person. It creates an opportunity for everyone to hear me say, face to face, “Work as you like, run as you see fit. It’s more enjoyable for everyone that way and enables the whole company to grow.”

These discussions also make me—Shibata—someone relatable and “human” in the minds of all employees. In conventional companies, especially large ones, there is rarely, if ever, any opportunity for new employees to spend substantial time talking with the president or CEO. In a sense, the CEO is like a panda or koala, something exotic glimpsed only from afar.

Next, employees can experience firsthand that it’s really okay to have one-on-one meetings with anyone. After all, if every employee can have the experience of talking one-on-one with the CEO for a good length of time, they are free to talk in the same way with anyone else too.

From my perspective, I can minimise contradictory situations within the company and put problems in perspective.

There was once a situation in a certain department. As this was before we abolished managers, there was a manager, and according to him, “Our department is doing great!” However, employees were resigning one after another. Rumours were rife that the department was “like a dumpster fire,” with evaluations and perceptions of the situation

varying depending on who you asked. It is at times like that when a CEO must carefully gather information while handling things skilfully.

However, now that I have experience of holding roundtable sessions with almost all employees, it becomes easier to gather perspectives from various people. In my work, I frequently have meetings and one-on-ones with senior people, but new employees might raise the issue in a roundtable discussion. When this happens, I can grasp the true nature of the current situation from multiple angles. In this way the situation becomes much clearer to see, and in greater detail. Also, even if action is needed, it can be kept to a minimum.

Now that managers themselves have been abolished and everyone can say what they want to each other, even if something goes wrong, it is discovered early, intervention is easier, and it is easier to protect the health of the organisation as a whole.

Roundtable sessions are also a means of fulfilling my responsibility as CEO to build the foundation of our teal-style organisation.

## **Facilitating Roundtable sessions as “Moderator”**

My role in the roundtable sessions is mainly as moderator and listener, although I do share my own views if they are needed. As with interviews, I value atmosphere-building and facilitation so that people can freely share what they want to say, and I can continue to update my overall picture of what is happening in the company while also being stimulated. There are several points I particularly pay attention to.

First, I try to make sure everyone has equal speaking time, as much as it is possible to do so. With four or five people for one hour, I guide discussions so that each person gets about 10 to 12 minutes. If too much of a difference emerges, it could engender distrust in me, anxiety about the teal-style organisation, or cause jealousies. The simplest method is to disclose and share this time allotment in advance, and alert participants whose talks seem likely to run long.

Next, I try to create an atmosphere where people can talk in a relaxed manner. Whether new graduates or mid-career hires, it is only natural to be nervous at first when you participate in a “roundtable with the CEO.” I therefore emphasise that they can talk about absolutely anything and highlight that speaking freely is a critical core aspect of our teal-style organisation. Before participating in the roundtable sessions, each person is asked to write and submit topics they want to discuss. But some members are already busy with work and come to the roundtable without solid preparation, and some are not talkative by nature. Sometimes they may not be able to organise their thoughts well. But I always tell them that’s perfectly fine, there is no need to tiptoe around things or ‘show deference’ just because someone is in a higher position and that they can speak openly and honestly. I always make sure to convey that this is exactly what defines the culture at Net Protections. Most members quickly get used to this style and eventually speak freely, almost too freely. Influenced by this, other members also start chatting away. The content of discussions deepens, and individuals’ inner selves and personalities can be drawn out.

My own attitude in approaching these discussions is also important. First, as with interviews, I treat each roundtable discussion as a once-in-a-lifetime encounter and engage seriously. I now feel that the roundtable sessions may be my most important work, and I hold them two to three or more times per week. But for each employee, it is an opportunity that comes only once a month. If I am perceived as cutting corners, not really listening, or seemingly negative that day, it would adversely impact our teal-style organisation. It is for that reason I try to maintain a consistent level of positivity and also to react affirmatively.

Finally, when responding to the statements and questions of attending members, I try to keep my responses as brief as possible while naturally weaving in references to Net Protections' philosophy and the culture we have all built together. For example, when I hear about something that happened recently in their work or a point they are struggling with, I include in my response how, as a teal-style organisation, they can address it in a way that allows the person, those around them, and the company to all grow together.

The content of all roundtable sessions, like everything else, is recorded and disclosed to everyone. By checking previous records, the next session's topics can be addressed efficiently, and discussions take on greater depth.

Since we maintain this kind of relationship for one hour every one- to one-and-a-half months, the relationship between me and participants deepens considerably.

I've shared a lot about operational and practical aspects, but ultimately, as someone who represents the company, being able to observe—almost like a fixed point observation—how the people who chose to join us grow rapidly and work with their own authentic energy and passion is, simply put, a joy. While I always try to approach roundtable sessions positively, ultimately I feel that thanks to roundtable sessions I am more positive than anyone else.

I recommend the roundtable discussion scheme even for organisations that are not teal-style, or as a first step towards becoming one.

## **Should the CEO Go Straight Home Every Night to Prevent Jealousy Arising Among Employees?**

There are several other points where I pay attention to my actions and words to make the teal-style organisation work, so let me summarise them briefly here.

First, as I have repeatedly stated, organisations can deteriorate due to jealousies, so efforts and systems to make jealousy less likely to emerge are essential. In a teal-style organisation, everyone can speak freely about anything, so if it is operating correctly there should be no problem. However, it is imperative to avoid any risk that the CEO's attitude could create misunderstanding or doubts about the organisation itself.

I make it a rule not to go out for meals with specific individuals in the company, except in cases like official team or department gatherings, or when we happen to be out with a small group of about four people. To maintain equal

distance with everyone, I ultimately have no choice but to avoid becoming too close with anyone. If anyone starts thinking that someone is a ‘favourite,’ a teal style organisation will quickly become unstable, and unfounded speculation will eventually give rise to factionalism. Additionally, inviting women could be problematic from a harassment perspective. Therefore, even if I feel like having a drink on Friday night, I often cannot invite anyone and just go straight home.

As for whether it is acceptable to go out with people outside the company, I exercise restraint here too. If people start to think that executives or managers are using entertainment expenses for semi private purposes without any clear justification, it inevitably undermines trust in the organisation as a whole. Executives of long-established companies or owner-managers may go golfing on weekdays purely as part of work, and I do not think that is necessarily irrational. But as the CEO of a teal-style organisation, I try to use entertainment expenses as sparingly as possible, and when I do use them, everything is completely transparent and verifiable by anyone. That is how much I value being “clean” as the representative of a teal-style organisation.

An owner-manager engaging in business-related socialising would not receive criticism from new employees, and if by any chance they were criticised, they would probably become furious, thinking “You don’t even know all the circumstances....” However, at Net Protections, I am on an equal footing with all new employees, so just because I am the CEO does not mean I should be treated like some untouchable monarch or deity. If I started to desire that, the entire company would quickly become disillusioned, and both the organisation and the business would head towards collapse. Having come this far with the teal-style organisation, I myself can no longer turn back.

Put into words, it may seem like only a small thing, but in reality, I’m reminded just how true it is that “saying something is easy, doing it is the hard part.” Since I can receive criticism from anyone, I am required to constantly correct my own distortions in order to create an organisation free from distortion.

## **The Long and Winding Road to Reach This Point**

We have been operating the teal-style organisation for more than ten years now.

As for me today, compared with the past, even though the company’s numbers have grown significantly, my own burden has lightened almost in inverse proportions. To put it simply, it feels really good to see the company running more and more in line with how I envisioned it, and what is more, almost running itself.

When I think about what would have happened if we had not become a teal-style organisation, it is frightening. With BNPL growing rapidly, coupled with lateral expansion and overseas expansion, as well as having to review all information from the ground up, judging whether we should or shouldn’t do things, checking executives’ and employees’ results, raising my voice to keep the company in line internally; it would have been heavy burden indeed, and one that might have resulted in burnout.

However, in a teal-style organisation, all employees work as if they were CEOs, so if I interfere inappropriately, I would actually be scolded. That said, of course I try to keep a handle on important points as a director. But I think

# Chapter 4

## Questions and Answers About Net Protections' Teal-style Organisation

Over the first three chapters, I have described how Net Protections' teal-style organisation evolved to its current form, our thinking and experiences throughout this journey, how we operate it, and what has been transpiring at Net Protections.

As I mentioned at the beginning, this book is structured around answers to the typical questions I receive from people outside the company. Not only did we take a long time to reach our current form, but we also appear to have become an organisation that may be “the only one of its kind in the world.” When it comes to the fine details, I inevitably need to spend considerable time explaining our complex history and underlying assumptions, which makes it difficult for the discussion to progress.

For this chapter, I have compiled my answers to frequently asked questions, along with my own reflections and observations.

The people who ask me questions mainly fall into two groups.

First are businesspeople, in positions such as executives and managers, who are struggling with management and who are interested in organisational theory and teal organisations. The other group consists of university students and people looking to change jobs, who are considering joining Net Protections and want to know whether the way our organisation works would suit them and whether they would be able to demonstrate and utilise their abilities. There are also some questions that I was asked by the editorial team as we worked on how to put this book together.

With that in mind, I decided to recreate in this book the “Q&A” time that is typically set aside at the end of sessions such as lectures.

I have organised frequently asked questions into the two groups above. Some answers overlap with events I have described so far, or with one another across questions, but viewed differently, such overlap highlights the areas of greatest interest, so I have intentionally left it. Having operated as a teal organisation for over a decade, we sometimes lose perspective on what outsiders find interesting about Net Protections, so discovering what resonates with people is, in a sense, refreshing.

Also, this chapter does not need to be read in order; you are welcome to skim through it by picking out the questions that interest you.

## [1] Questions I Receive from Executives and Managers

### **Question 1: Can a "Teal-style Organisation" Really Function as a For-profit Organisation? Will It Produce Results?**

I believe it can. To do so, it's important that, as a teal-style organisation takes root, you also install a culture of pursuing strong results and substantial profits. Over the past fifteen years or so, I've been constantly watching how to maintain the balance between being a comfortable community and the reality of placing importance on the numbers, so that we don't lean too far in the direction of "as long as the workplace is comfortable, that's enough." I keep this in mind in what I communicate as well, including company-wide messages on Slack, and there have been several times when I've genuinely felt afraid that we might tilt too far to one side and not be able to bring it back. On the other hand, after we went public, our share price began to respond very directly to our numbers (performance), which in some ways has actually made it easier, company-wide, to share an awareness of the importance of our numbers.

We are a teal-style organisation, and at the same time a publicly listed company, and we remain firmly committed to the principle that companies must deliver societal value through business results. When people examine teal-style organisations through organisational theory literature, they may focus solely on idealistic aspects and worry that financial performance will suffer. I can empathise with that concern, and I believe organisational theory is, after all, nothing more than a means. What matters is the process in which all employees confront conflict and fear in order to produce results, and, through long discussions, build the shape of the organisation themselves. It's not an organisation created by an executive issuing top-down orders after reading a book; it's precisely a culture where everyone respects and helps one another while running autonomously that leads to profit creation and growth.

That said, at least in our experience, it takes a long time for a teal-style organisation to translate into profits. Conversely, I have come to realise that once profitability emerges, teal-style organisations can demonstrate strengths that other companies struggle to replicate. On top of that, I'm proud that all employees are able to work while seeming to enjoy themselves and while truly feeling a sense of happiness in their work. There is no need to adhere to a theory or model with perfect fidelity; what matters is adapting it to Japanese society. The teal organisation model can appear idealistic or happiness-focused, but building an actual organisation is invariably messier in practice, and I feel that balancing that sense of reality with the ideal is what supports sustainable growth as a for-profit organisation.

### **Question 2: If We Adopt a "Teal-Style Organisation," Won't It Become Impossible to Reflect the CEO's Intentions, or Make It Harder to Turn Ideas That Come to Mind Into Reality?**

Personally, I don't feel that way. At the same time, while I deliberately refrain from giving explicit instructions most of the time, I was the first person to turn this business into an actual business, and I am the executive leading this company, so I consider myself an individual whose influence carries somewhat more weight than others'.

On the other hand, so that I can make top-down decisions when it's truly necessary, I always keep on display what you might call the "family heirloom sword" of executive authority. Even if it risks damaging trust with various stakeholders, I remain prepared to intervene and make decisions directly when I believe it absolutely necessary, and I do make an effort to keep up the "trust

balance” and political capital for that purpose. That said, occasions when I actually draw and use the sword only come about once every few years.

Being a teal-style organisation does not, of course, mean that the CEO or other executives are prohibited from voicing opinions. I've been involved in the BNPL business for close to thirty years, so there are times when a good idea suddenly pops into my head. When that happens, I'll probably say to the people around me, “I just came up with something, what do you think?”

At Net Protections, everyone else does the same: they talk to the people around them, and they're allowed to. Everything is decided by whether or not the idea itself is good. Whether you're a new recruit or a veteran, if you come up with something good, you can talk to others about it, and if it gets people excited, you can move it forward.

Also, employees are welcome to consult with me in one-on-one meetings. And when I'm the person being consulted, that is, the person listening, I naturally reflect my own thinking there, based on my experience and knowledge. Through repeated conversations, you naturally come to understand each other's thinking and values. This is the strength of a teal-style organisation: people in all sorts of combinations communicate with one another and can move work forward as everyone's shared intent. There's no sense of “giving orders,” of “making people do things,” or of “being made to do things.” Perhaps I, too, am influenced by other people's thinking. In other words, everyone is acting as someone else's “Catalyst.”

Once you get to this point, even though I'm the one who first conceived of this business, ideas I never would have thought of keep bubbling up from inside the company. So, rather than having people do only what I think up, the business becomes richer and more solid.

### **Question 3: Can Executives Themselves Really Let Go of Authority?**

Yes, they can, and as you've read, I have let go of most of it. At the same time, the reason I have been able to delegate authority so boldly, to the point that people around me are surprised, is that it is, ultimately, my own decision as the executive. I continue to hold the awareness that final responsibility always rests with me. I may have let go of authority, but you could say I still retain the “authority to let go of authority.”

In many cases, founder-executives are the ones who devised the original shape of the business, and since they understand that business better than anyone, including the business model, I can empathise with the fear, the difficulty, and the resistance people may feel about letting go.

That said, many of the newest businesses we are currently pursuing at Net Protections, as well as the leaps in technology that support them, are being independently driven forward by employees who have been with us for only a few years after joining as new graduates. In other words, for them, the way we operate as a teal-style organisation, quite unique by general standards, has already firmly taken root, and on that foundation they are in a position to keep coming up with more and more unique, new businesses.

The people pulling those businesses together are also employees who would likely be seen as young in broader society. Of course, if they are worried or struggling with something, then veterans, mid-career hires, and we executives will all support them with everything we've got. As an aside,

it's also interesting that while many leaders of entirely new businesses are new graduate hires, many of the leaders strengthening our functions are mid-career hires.

I remember Peter Drucker saying that it is not a good idea to put a new business in the hands of someone newly brought in from outside. I feel the same. In my own interpretation, it's probably because no matter how capable someone is or how strong their career may be, things often don't go well until the company's way of thinking and philosophy have permeated them. They may not fully understand what they have been entrusted with and what they should do, or they may be misunderstanding it.

In that respect, at Net Protections, people who joined after the teal-style organisation was already complete are now maturing, and if you're an employee in your twenties, that applies to everyone. They learn as they go, think freely, and keep pushing things up from the bottom, so we've already reached a point where I no longer need to be hands-on myself. That is precisely why, by my own will, through my own judgment and responsibility, I can let go of authority with confidence.

That said, as a general point, you could argue the opposite as well. For example, in a company that is not a teal-style organisation, where the business cannot continue unless it generates revenue in the short term, and where sales capability is more in demand than innovation, a top-down organisation in which everything moves by the executive's orders would probably make it easier, for the time being, to deliver stable results.

I believe building a teal-style organisation is best suited to creating a good company over the long term and to thinking about long-term growth. In other words, it takes time.

#### **Question 4: Even for an Owner-Manager, Is It Possible to Make Their Company a "Teal-Style**

I am not, and never have been, an owner-manager, but in conclusion, it should be possible. Or rather, fundamentally, an owner-manager can shape the company according to their own thinking anyway, so ultimately it depends on the owner-manager's way of thinking, or their resolve.

That being said, it may not be easy. If you are an owner-manager, and especially if you take pride in having built the business up to this point through hard work and struggle, then if a new recruit were to say things like:

“I think your way of doing things is wrong, CEO.”

“You need to fundamentally change things from the ground up.”

...then you might not be able to stay calm. You probably wouldn't lay hands on them, of course, but you might think, “You don't even know what I've been through,” “What do you think you know about me?” “Show some respect!” And you might even say it out loud. Although, to be fair, saying something like “You need to fundamentally change things from the ground up” would be pretty harsh.

But that is what a teal-style organisation is like, so you have to abandon the very idea of “I'm the leader, the 'king' or 'emperor' of this company. First, revere me.”

If I were to deal with young employees like that now, I might think, “Maybe there's a reason they feel that way,” or I might even put myself in their shoes and think, “Right, you do tend to use that

‘fundamentally’ way of thinking. But someday you’ll realise for yourself why things are this way.” I wouldn’t point anything out; I would try to listen to what they have to say. Because the value of a teal-style organisation lies precisely in having them act autonomously and drive things forward on their own. These days, even at the roundtable-discussion stage, new recruits will sometimes launch into “first principles” arguments, and it spreads, and other participants start voicing their opinions more and more without holding back, but that’s fine. I respond with “Yeah, I get it, I get it,” and just keep listening. Honestly, I do occasionally think, “You don’t even know what I’ve been through,” though.

If an owner-manager wants to make their company a teal-style organisation, the biggest hurdle may be how to fight that part of their own heart. As long as you swing your influence around without question, it will be hard to draw out employees’ autonomy. That being said, I think the benefits after overcoming that are substantial.

**Question 5: If a Company Adopts a "Teal-Style Organisation," Won't Everything End up Taking More Time?**

I think this is a question that really gets to the heart of the matter. Some people worry that if there are no so-called important people and if everyone is saying what they want to say, then “won’t nothing ever get decided?” It’s true that this can happen if you don’t design the structure well, so, depending on the situation, we sometimes assign a leader-like role. We move things forward through collective discussion to an appropriate point, but once the discussion has been exhausted and continuing further would be counterproductive, we conclude by saying something like, “As the leader, I’ll take responsibility and go with Option A.” I myself sometimes take on this role. However, if a leader constantly exercises authority, their influence can actually diminish, so at Net Protections, you could say that a key principle for a leader is to keep the use of that authority to the minimum necessary.

With that being said, based on my experience, my answer is: “At first, yes, a teal-style organisation does take time, but eventually it flips and becomes overwhelmingly faster.” In the beginning, the business was being advanced by just me and the CTO, and it wasn’t possible for other employees to understand the business at the same level and to act autonomously. Even if I tried to delegate, I had to teach from scratch, which took time, and the mental burden and fear were significant. If someone left partway through, we had to start over again.

But now, leaders and senior employees who understand our MVV and have grown within the organisation are developing new teammates so that they can operate autonomously. As a result, my own burden has been greatly reduced, and compared with the early days, our growth speed has become dramatically faster. The feeling is that for a while the difficulties stayed stubbornly high, but then the MVV permeated throughout the organisation, the talent and organisation began reproducing themselves, and past a certain point the burden sharply dropped.

Even at Net Protections, not only ten years ago but even as recently as five years ago, there were periods when, depending on the business, the teal-style organisation didn’t work well and we struggled. It’s only in the past few years that I’ve been completely freed from that fear. There were times when I temporarily took the lead, but that risked undermining employees’ autonomy. Even so, it’s also true that by going through this process we accumulated know-how and raised the organisation’s “purity.”

Accordingly, when transitioning to a teal-style organisation, the practical challenge for executives is how to get through that “middle phase of hardship.” But beyond that lies a stage where both decision-making speed and growth speed dramatically increase, and a highly exhilarating phase awaits. I can now tell you that with confidence.

**Question 6: If You Make the Organisation Bottom-Up, Won't the Level of Insight That Emerges Become Too Low and Cause Problems? And in That Case, Won't You Feel Tempted to Step in and Say Something?**

This is another critical point.

Depending on the situation and what is needed, we sometimes have more experienced senior employees with deep expertise in that field join in. In fact, if a team’s results are falling short of expectations, then that may be the approach most commonly taken. As an executive, and as the founder of the business, there are times when I offer what you might call “interference,” or rather, advice.

In that case, however, I make sure not to embarrass the members or leader who have been working hard. At the same time, I speak honestly about the fact that the results or quality are not sufficient, and as we think together about why things aren’t going well, I say something like, “We are going to have this person join as well, so I’d like you to work together.” A teal-style organisation isn’t a culture where you can only have one clear leader, so the idea is not to replace the leader, but to make it two or three people. And in doing so, I always maintain, at the end, the stance of “But you remain the principal figure in this story.”

Also, even in situations where I can immediately identify what a team is missing or give an “answer close to the right one,” I don’t do it as a top-down instruction. I start by offering it from the sidelines, such as by saying “There’s also this perspective,” or “It might be worth trying this approach,” and then I firmly leave ownership with the people on the ground. In some cases, rather than saying it in front of everyone, I may advise only the Catalyst or the leader.

**Question 7: If You Have a System Where Anyone Can Consult with Anyone, Won't Employees Swarm the Executives?**

Interestingly, at least for now, that’s not really the case. Maybe employees just aren’t that interested in me...?

As I’ve described so far, Net Protections has institutionalised one-on-one meetings, and anyone can consult with anyone about anything. That includes me as well. It’s about on the level of: “Shibata-san, could you hear me out about ABCXYZ sometime?” “Sure. When should we discuss it?”

It can be an ordinary employee or a new recruit. In practice, if anyone sends me a DM on Slack, I can respond.

If that still doesn’t work, there have also been times in the past when we resolved things from the top-down as an emergency measure. But even then, I always explain the reasons and follow up with the people involved.

Even so, despite the fact that this situation is widely shared, my schedule remains surprisingly open. A big reason is likely that the teal-style organisation is working well and each person is happily giving their all to the work in front of them, so there aren't major issues; but it also seems that some people are considerate and feel it would be an imposition to take my time unless it's really necessary.

Perhaps what matters is the fact that the door to one-on-one meetings is always open, anytime, to anyone, and that being able to run in whenever something comes up functions as a kind of stabiliser. In older companies, there may be situations where only direct subordinates can "speak up directly," but in our case, anyone can do so. Being able to let out pent-up feelings or complaints anytime, to anyone, is probably an essential premise for a teal-style organisation.

**Question 8: When a First-Year Employee Shares Their Opinion, Do You Ever Feel Even a Little Irritated?**

It would be a lie to say I never bristle. But at this point, within our organisational culture, I can make the effort to swallow it no matter what is said. If I can think, "Where was I lacking? Is there something I need to change?" then every comment becomes something for my own benefit. That said, at Net Protections, regardless of your position or seniority, you can be called out or face pushback from anyone, so until you get used to it, you might find it pretty harsh or intense.

What's more, I myself launched the BNPL business at 26. So, when you think about it this way, I absolutely do not believe that "they're still young and in their twenties, so there's no need to listen to them." This is someone who has lived a different life from mine for over twenty years and has different knowledge and insights, so, regardless of the age gap, I try to face them seriously and confirm the background of why they hold that opinion. In practice, even when I feel a moment of irritation inside, I continue to make a desperate, conscious effort to suppress it and keep my emotions in check.

Now that the teal-style organisation is established, even new recruits are people who understood that culture and joined because they resonated with it. Even if they have little career experience, even if they may seem a bit cheeky, the very act of blocking the wind they stir up runs counter to our organisational culture.

There's no way I'm a perfect person. I've had a great many experiences over nearly thirty years since becoming a working adult, but there is still plenty of room for reflection and growth. Even recently, when I slightly "enhanced" someone's episode to make it more interesting in a speech, I was told that, as an executive, that attitude was not good. This happened in a 360-degree evaluation, but the same thing could be pointed out by anyone at any time; and I believe that to sincerely engage at all times, it's important first to take it in.

If that still doesn't work, there have also been times in the past when we resolved things from the top-down as an emergency measure. But even then, I always explain the reasons and follow up with the people involved.

**Question 9: Isn't There a Risk That Things Will Move Forward on Their Own without the Executives Knowing?**

First, the fact that self-motivated, highly capable, and trusted team members are “moving things forward on their own” is something I’m very grateful for. At present, it’s actually a lot of fun to see new businesses, even ones I didn’t know about, progressing at a rapid pace. I don’t see this as a risk at all.

That said, inferring the intent of the question from a governance perspective, the concern is probably something like, “Is it okay if there’s no chance to put the brakes on a business that truly shouldn’t be done?” or “Don’t you check whether it’s becoming a business that isn’t aligned with the MVV?” In practice, bodies such as the board of directors operate at the stage when an idea has taken shape, just before it begins to require significant business-related cash outlays. Conversely, up until that point, it’s okay to freely create.

I think this feeling is the same as making doburoku sake (a cloudy, unfiltered rice-based alcoholic beverage, often homemade). Doburoku sake is, in effect, moonshine, but as long as you make it at home and only you enjoy it, problems are unlikely to surface. But if, as you keep making it, you start thinking, “I want to try this in the market,” then at that stage you should apply for a brewing licence. If you crack down on making doburoku sake itself from the start, then nothing new will ever be born.

Applied to Net Protections: someone comes up with a good idea and talks about it with those around them; if it has potential, people gather and the conversation spreads. Then, when it becomes “Let’s really try developing this as a business,” they look for a Catalyst, use the company’s systems, and reach the stage of mobilising people and money. At that point it comes into my view as well, so I support it by putting the structure in place or, as needed, by combining the right people. In other words, up to a certain point it’s fine for it to move forward on its own, and that is exactly what creates the expansion of the business.

Of course. Because all employees operate within the same organisational culture, by the time commercialisation is considered, candidate ideas have already been substantially narrowed in qualitative terms, and ethical issues have been addressed.. In addition, I conduct one-on-one meetings with roughly 20 to 30 people in the Catalyst layer, weekly, biweekly, or monthly depending on the person, so in practical terms I continue to keep track of major movements. Precisely because we maintain trust relationships in this way, it is fair to say that it is unlikely for something to be “decided on its own” in an area that should properly require management judgment. An organisation cannot move forward smoothly if executives leave it without oversight or fail to communicate internally.

Accordingly, I regard “things moving forward on their own” not as a risk, but as an indispensable process for creating new businesses, in which governance naturally functions.

**Question 10: With Hiring Becoming More Difficult, Won't Training Employees to Be Self-Sufficient Lead to Them Going Independent or Changing Jobs?**

It's true that competition to secure talent has become intense. We, too, have no end of worries about how we can hire good people. In that context, the concern that developing employees who can think and operate on their own, almost like independent business owners, might actually lead them to go independent or to change jobs has a certain validity. In fact, employees receive many approaches offering high compensation, and when someone chooses to change jobs or go independent out of conviction, while it's regrettable to lose them, my honest feeling is that I basically want to support them.

That said, in my heart, there are many members I absolutely don't want to leave. It is, of course, up to them to decide the direction of their own lives as they grow and build real capability, and that in itself is wonderful. I genuinely support their decision no matter which path they take, but at the same time, by increasing the attractiveness of what we offer internally and by continuing to provide opportunities, I want them, if possible, to choose to stay at Net Protections and thrive here. It feels like a serious match in which, while fighting the fear of "people who can choose their working environment at any time" graduating and moving on, we aim to provide an environment that goes beyond that.

There is a tug-of-war between wanting them to stay and the joy of developing outstanding talent and sending them out into society. Within that tension, I believe that making every effort to have them remain with the company as much as possible is where the executive's real test lies.

Still, in practical terms, I also feel that Net Protections has a competitive edge. First, and this is an unfortunate reality, there still aren't many companies in Japan where people from their 20s can act independently and take on active roles while being involved in projects on the scale of tens of billions to hundreds of billions of yen. The authority and scale they are entrusted with here are not necessarily something they can obtain in the same way if they change jobs to another company.

Going independent is not easy either. This is something I've experienced myself and that I often mention in casual conversation: having a business you want to do, a venture you want to pour your passion into, and then building, sustaining, and growing a company that runs it are not 100% parallel. Even if you have genius-level sense for a particular business, you may be terrible at building organisations; even if you have strong focus, you may be poor at sales or fundraising. At the start of going independent, in most cases you end up carrying almost all of that on your own. To be perfectly frank, over the more than ten years after I started the BNPL business in 2001, I can't count how many times I wanted to quit.

In that respect, at Net Protections today, employees can continue working in an owner-like way, close to their own intent and will, while still distributing miscellaneous tasks as company employees. Mid-career hires immediately feel this through comparison with their previous jobs, and new graduate hires gradually come to understand it as they compare their working style with that of their friends'. Our employee mix is a "golden ratio" of 70% new graduates and 30% mid-career hires, and I feel that this balance helps convey our uniqueness to new talent. Also, when "returnees" who once left come back and talk again about the advantages of Net Protections, that creates a positive effect as well.

#### Question 11: If Something Ends up Not Going Well, or if There Is a Failure, How Do You Deal with It?

Basically, while recognizing the failure together, we try to think on equal footing about how we can move forward from there. It's a cliché, but every failure at the present point can be converted into learning for future success. Of course, this does not mean that individual failures are free of human responsibility. That responsibility lies with the senior layer, with the Catalysts, with the executives, and with me personally as the representative.

If it looks like there could be a major loss or damage, then depending on the extent, I will move in closer early and make an effort to grasp the situation. If it seems like it can be resolved autonomously, then I quietly step back; but if it seems tough, then we have someone with deep knowledge join in, and in some cases I join the team myself. We don't blame someone or make them a scapegoat, but internally we always examine the causes, make sure we don't repeat the same problem, and then work to turn it into knowledge for the company as a whole. In some cases, I may tell someone individually, "You were the cause. Let's improve it like this." In that case, while being mindful not to damage the person's dignity, we still carry out a thorough verification of the cause, solve the problem, and make sure the learning is applied going forward.

As a baseline, though, at Net Protections after becoming a teal-style organisation, major failures have become structurally less likely to occur. That's because a great many people's knowledge is poured in before something becomes a business, and "ideas with no prospects" are eliminated. Even so, if there is a business that is on the verge of failing, we have an essential discussion about "why we are giving up."

"Since we're 'creating the next standard,' shouldn't we keep going even if we're not seeing results yet?"

"Isn't there room to improve in the future? Can't we minimise the losses?"

"I, too, have made major failures in the past."

"If there's still someone who believes in an idea, let's continue with it until that person relents. The company will support them."

...With discussions like these, we encourage one another.

Even so, if we have no choice but to abandon something, I make it clear that I myself will ultimately bear full responsibility. At the same time, in practical terms, many cases involve a Catalyst carrying the problem, so after hearing how the person sees it and taking into account what I've felt, we may change the combinations of people or adjust the work. This is case by case, and it also depends on each individual's personality.

In the past, disciplinary transfers or demotions were common as punitive measures, but in a teal-style organisation we do not take that approach. We keep in mind, above all, "how they can be active going forward" and "how they can become more self-directed." And I believe it would be the best outcome for both sides if, someday, they can feel, "That failure paid off and led to a huge success."

**Question 12: Doesn't a "Teal-Style Organisation" Succeed Only When a Company Is Engaged in Innovative Businesses like Net Protections? Could It Really Be Applied to Old-Economy Companies?**

This is one of the questions I'm asked very frequently. I can't answer definitively because I have no experience running other companies, but if you change the angle, you might also say: "In today's world, aren't companies with high motivation and strong results, in the end, more or less 'autonomous organisations'?"

Starting with a more superficial, image-level point: it's true that we hold the top share in BNPL, which has been growing rapidly over the past decade-plus, and we keep successively launching new businesses. I'm honoured when people evaluate that background by saying we "had a good eye" or "found the potential early," but my honest feeling is that it's precisely because we became a teal-style organisation and overcame various issues that we've been able to stay ahead of other companies and maintain our competitiveness.

To put it another way, it's not that we found it easy to become a teal-style organisation because we are in BNPL or because we run new businesses; at least as things stand today, my view is that it's because we were able to become a teal-style organisation that we've been able to maintain our innovativeness and continue growing. If that's true, then regardless of what kind of company it is, even a 100-year-old company, even a so-called "old-economy" company, it should be possible for them to become a teal-style organisation, and there should be potential to grow even more by becoming a teal-style organisation.

To begin with, BNPL is a payments business, and its structure requires sensitive handling across various stages. There are also many different legal and regulatory requirements. If you think about it, BNPL is, if anything, better suited to top-down management, and you could say that a teal-style organisation is ill-suited to it. From my own experience, the idea that "BNPL is growing rapidly, so a teal-style organisation can work" feels quite far from reality.

By the way, as I mentioned briefly in the prologue, in any company, you can probably have "a strangely tight-knit, lively department where everyone clicks and things are buzzing." For example, if it were me now, even if I changed jobs to a completely unfamiliar company as a manager, I think I could at least energise my own department. I'm confident I could create a lively and energetic "culture," where everyone thinks together and can say what they want, by getting people on board, spurring them on, encouraging and boosting their independence, and adding a bit of game-like feel along the way. Even if my own expertise were limited, the people who have built their careers at that company would gradually take more initiative, proposing new businesses and improvements, and testing them using the collective knowledge of everyone in the group. In any case, this would increase the probability of success.

If executives want to make their company a teal-style organisation in the future, then one approach might be to start by creating a single department like that. Just promoting someone who is oddly well-liked by subordinates and treats everyone well, and then encouraging them by saying, "I'll take responsibility, so boldly go for it," could make a significant difference. Because people in other departments will be watching out of the corner of their eyes, and it will inevitably become the talk of the company.

### **Question 13: From the Beginning, Did You Think You Would Succeed with a "Teal-Style Organisation"?**

Not at all. We built this organisational culture by groping our way forward, before we even knew what a teal organisation was, and almost as if we were being prodded along by those around us. Even after we institutionalised it internally and began referring to it externally as a “teal-style organisation,” it’s only been the past few years, honestly speaking, that I’ve developed the near-100% level of confidence we have today.

I didn’t aim for a teal-style organisation from the start. I could see the potential of BNPL over the medium- to long-term, but when it came to organisational theory, it’s not as though I had anything like a roadmap in my head. Vaguely thinking, “If we do it this way, it might work better than it does now,” I learned bit by bit and expanded those trials while building up a kind of training, and that’s how it became the system it is today. Even after it was institutionalised, we weren’t highly valued by shareholders, and I couldn’t be sure whether this was really the right approach, or whether it was okay to keep running with it when there were no other companies like this.

The reason I’m now presenting it to you, the readers, in the form of a book is also that I have probably, for the first time, reached a situation where we can grow at a high rate while enjoying ourselves as a teal-style organisation. I want to share that experience with you and spread the “experimental results” that it is okay to do things the way Net Protections does.

### **Question 14: Did You Ever Consider Giving up on the "Teal-Style Organisation" Partway Through?**

Actually, many times. Until a few years ago, when I became able to have near-100% confidence in it, it was a worry that kept coming back again and again.

Before we were even able to categorise ourselves as a teal-style organisation, I couldn’t shake the feeling that we might be creating some kind of “weird organisation” all on our own.

Most of the companies that stood out around us were led by charismatic founders, top-down organisations that aggressively raised funds and ran employees at full speed without letting them raise objections, and they seemed to be brimming with a certain sense of speed. By contrast, if you looked at us through a negative lens, it felt like we were being overly considerate in every direction inside the company and taking time-consuming detours. It wasn’t easy mentally, but even more than that, what came first was the fear that we might lose in business, that our current approach might be fundamentally wrong. Pressure from shareholders also played a role.

Even though we had argued endlessly to arrive at our current organisational culture, maybe we should just flip over the whole table and apply pressure with 100% top-down management from me, which might improve performance; shouldn’t we do that? It’s only in the past few years that I’ve finally been freed from those thoughts.

What allowed us to somehow get past that stage was that most of the employees came to be people who joined after the current organisational culture was completed. In a way, it may be ironic, but if I had shifted direction, it wouldn’t have been surprising if not just half, but as many as two-thirds of employees had resigned. In that case, it wouldn’t have worked out either way, and my honest feeling is that, even while struggling internally, I was somehow able to believe in a positive future development.

## Question 15: Regardless of a Company's Size or Line of Business, Are There Benefits to Making It a

If I answer as a business executive, then it's case by case.

For example, let's imagine a company that has just been launched.

If it's just a handful of people who started it together, in many cases it will already look like a teal-style organisation as it is. Even if there is an executive or representative, they will temporarily hold back their own assertions and communicate closely with all their colleagues. The other team members, in turn, will also strive to move work forward while respecting one another. Otherwise, you run the risk of the group breaking apart.

If the executive recognises the value of a teal-style organisation at that stage, then even as the number of employees grows, the company will likely continue expanding as a teal-style organisation, and it will produce results that way.

However, if a newly launched company is facing a life-or-death crisis, then a top-down approach will be more effective, and in many cases there may be no other option. Even if the executive aims for the company to become a teal-style organisation in the future, for the moment there is no choice but to ask, as an emergency measure, "Please do as I say."

We can also imagine another pattern. When launching a business, for instance, the executive alone may have outstanding knowledge, while the other members do not. Even when there is a gap between the level of difficulty of the goals that must be achieved and the team's proficiency, things won't work unless, up to a certain point, the person who understands leads in a top-down way.

In the past, I too have maintained the teal-style organisation overall and, as a basic stance, prioritised everyone's autonomy by supporting from the side, while in some situations, depending on the phase, responding in a limited, top-down way. I never do this lightly; it is only in cases where it is clear that it would be impossible to respond otherwise.

In those cases, employees will of course criticise you: "Your actions don't match your words," or "Won't you leave it to us?" Because the organisation as a whole remains a teal-style organisation, anyone can say anything to anyone, so that's what happens. Some people will get angry that I intervened. In the worst case, they might even quit.

That is why careful explanation is important. I directly explain that in this phase there is no way other than for me, who understands everything, to handle it top-down; that I value the members; and that I have no intention of changing the overall organisational culture, and then I ask for their cooperation. At the same time, while thinking about how to close out the emergency response and who to hand things over to, I time when to let go. This kind of orchestration, this sense of measure and balance, is a phase that tests the sense and instincts of executives aiming for a teal-style organisation.

I think any company can benefit, in the long run, from becoming a teal-style organisation, but it isn't possible to address every situation from the start with a fully teal-style organisation.

Realistically, what will be asked is how to reduce the degree of emergency top-down intervention over the medium to long term. And at Net Protections today, where many leader-like employees have been developed and are, by their own hands, developing the next leaders as well, my interventions have already become almost zero.

#### **Question 16: Doesn't a "Teal-Style Organisation" Conflict with Shareholder Returns?**

Some executives may be aiming to go public as an immediate goal, and others may be in a phase where they are receiving investment from funds and the like.

I understand why people worry that, in building a teal-style organisation, shareholders might view it critically or oppose it, because that's exactly what happened to us.

Since it's difficult to generalise, I'll speak only from Net Protections' experience: whether back when we had only a few shareholders (both individuals and companies) or now, after going public, with shareholders numbering in the tens of thousands, our basic understanding has not changed, that the biggest theme in returning value to shareholders is to produce results and grow. In my case in particular, since I was not formally a founder-executive and I held relatively few shares, I was building our organisational culture while always carrying the risk of being removed. As I've already mentioned, there was even a time when I almost was removed.

Personally, I remember the pressure being far heavier before we went public. We went public after becoming a teal-style organisation, so investors were being given an explanation of our organisation as part of what makes us unique; after that, all that remained was to grow under these conditions.

If you take a hard-line view, from a shareholder perspective, then a good company and a capable executive is one who generates profits and returns them, and whether the substance of that is BNPL or a teal-style organisation is merely a factor. In that context, given that we are a publicly listed company run as a teal-style organisation that is probably unique in Japan and in the world, it's true that if we fail to deliver results, we are likely to be criticised. Before we went public, I even had the experience of being hit with extremely blunt words like, "Maybe you can't produce results because you're running such a lax operation. Shouldn't you be running the business by yelling at employees all the time?" As for how to deal with it, all you can really do is explain that a teal-style organisation can drive more growth, and then show results.

Conversely, if we are succeeding with a uniqueness that is the only one of its kind in Japan and in the world, then by communicating that externally, it also translates into intangible corporate value. When we explain Net Protections' organisational culture to stakeholders, we are usually received positively, and many outstanding employees have gathered here because they like this organisation. If we can make that visible well, then shareholders, too, may find it easier to be convinced that it aligns with their own interests.

#### **Question 17: Don't Business Partners See Your "Teal-Style Organisation" as Unconventional or Feel Uneasy with It?**

As I mentioned in the previous question, while people are often surprised, I feel it isn't viewed very negatively.

For example, when meeting with business partners at Net Protections, employees in their twenties, who would be considered quite young by general standards, may sometimes speak with substantial authority. This may surprise some people.

But that tends to be only at first. Not only do they accept it readily, I feel many people even become

fans. The reason is that, even if what I'm saying is a bit biased in our favor, employees who are entrusted with a certain level of authority at Net Protections are in those positions precisely because, institutionally, they are recognised by other employees as well. Whether this is the right way to put it or not, it's because they are exceptionally "sensible" and "wonderful" people. They themselves approach their work with confidence, and if the other party becomes interested in how Net Protections is organised, we also explain our uniqueness. The reactions are generally very positive. I've heard there are even cases where they get invited with lines like, "Wouldn't you like to come work at our company?"

When people hear the explanation of our organisational culture, they understand the background and find it convincing, and they often come away with a good impression, and that, in another sense, may also be a force that contributes to our growth.

#### **Question 18: Did Adopting a "Teal-Style Organisation" Improve the Quality of Hiring?**

In the end, yes, but as I've said so far, there were stages.

Even after the teal-style organisation was institutionalised internally, there was a period when we struggled with how to promote it externally and how to explain it. The only way to describe it was as a "flat organisation," and that's a familiar expression that many companies use in their recruiting activities, regardless of the reality.

Once Laloux's "teal organisation" became known and we were able to use that term to label ourselves externally, I remember that matching clearly began to get better. Even for people who didn't know what a "teal organisation" was, precisely because it was an unfamiliar term, they would look it up and come to understand that our culture was a good fit for them.

It also helped that reviews on job-change sites, as typified by "OpenWork," had become widely prevalent. Among companies that claimed to be "flat organisations," it became visible that we were receiving high evaluations based on employees' real experiences, and that further helped our hiring.

Today, for the vast majority of employees who join Net Protections, their initial trigger is an interest in our organisational culture. This is especially pronounced for new graduates. Even as we feel how tough the hiring environment is, it is truly something to be grateful for that we can consistently have good people choose to join us, people who come to like the organisational culture we have built and who will improve together with us.

#### **Question 19: If You Disclose as Much Information as Possible, Don't You Worry about the Risk of It Being**

As I've described in the main text, Net Protections discloses and shares virtually all information to the maximum extent possible, from, for example, minutes of executive meetings, to as many disclosable numerical figures as we can, to each employee's data and their growth-support vision sheet. Naturally, we do consider the risk of misuse or misappropriation, and, as a publicly listed company, measures against insider trading as well. And it would be entirely understandable for an executive to think that they could never disclose and share information at that level.

In our case, we may lean a bit too far toward trusting people, but because we conduct interviews over a long period and only have people who can thrive while engaging in dense communication with many colleagues, I do feel there is a genuine mutual trust that everyone understands and will follow the principles. This is slightly off the main point, but since BNPL, deferred payment, is itself a business premised on the good-faith assumption that “customers will surely pay,” with the foundation being how you address the exceptional loopholes, that may make it easier for us to think this way. Despite all sorts of things happening, the reason I’ve continued both the BNPL business and the teal-style organisation is that, fundamentally, I’ve been able to sustain the feeling of “believing in the good in people.” Of course, this can also become a weakness, so we do have to be careful.

Even so, I have a certain degree of confidence that someone with malicious intent would not be able to join Net Protections after going through long interviews, or that they would be able to remain here without being “found out.”

We also place almost no restrictions on the scope of data disclosure and sharing because we value the usefulness of the “swamp” described in the main text. If anyone can access information, they can retrace and re-experience almost any internal event from scratch as history. Because you can understand what kind of person someone is, communication becomes easier, and odd suspicions can be minimised. Because you can access company-wide data, anyone can identify and solve problems at a company-wide level, and in a management-like way as well. The impact of these on the quality of a teal-style organisation is enormous. Even if there is some risk, the value of disclosure overwhelmingly outweighs it.

That being said, as a publicly listed company, we have thorough insider trading measures. Information that could clearly constitute insider information in the stock market, such as undisclosed figures related to financial results and other disclosure information, is not shared. And even for other information, we provide thorough training to teach employees that, depending on how it is used, such information could still lead to being investigated or prosecuted for insider trading. At the same time, employees are allowed to buy and sell company shares only during the two weeks after quarterly earnings announcements; trading is prohibited outside that period. Also, because we have a wide range of business partners, we prohibit trading in stocks other than our own as well.

#### **Question 20: The Roundtable sessions with All New Recruits Seem to Have Big Benefits, but the Costs Also**

Personally, I strongly recommend it, and I believe it would be workable even at a scale of 1,000 people. At least, I have no intention of stopping. Of course, for example, it would be difficult to hold a roundtable all at once with all 1,000 people, but it is sustainable to build new relationships every year with the roughly 100 to 150 new joiners, and that is exactly what we are able to do now.

Some people may worry about the burden of the roundtable sessions. But the more we become a teal-style organisation, the more time flexibility I gain, so in fact it really isn’t that heavy of a burden. If anything, the new recruits who participate gradually become even busier than I am, and on one day, for instance, I was the only one who showed up on time.

And even if they are demanding, the benefits of the roundtable sessions are so large that the ROI per hour is high. In fact, you could even argue that they should be prioritised. They not only link

together every new recruit's face and name with their way of thinking and overall demeanor, but they also allow me to personally create an atmosphere where it is truly okay to talk about anything. I can prevent, with my own hands, suspicions born of not knowing what others think, the formation of factions, and backbiting. Looked at a bit more realistically, it increases my "political capital" as an executive. And above all, I personally enjoy the roundtable time quite a lot.

There have always been quite a few people who have said various things to me, and in some cases it really was my own fault, my own lack of virtue. But now that we are a teal-style organisation, it's fine for people to point things out to my face. Whether or not they actually do that in a roundtable is another matter, but it's enough for them to remember that "if something happens someday, I can speak up."

Now imagine the case where there are no roundtable sessions. Someone might, on their own, build up negative feelings toward me and, like the Pied Piper of Hamelin, start spreading them around. People who don't directly know what kind of person I am might be influenced.

But if the roundtable sessions are working, then employees will have had chances to speak with me many times, and I will also be familiar with their faces and names, what they thought and felt when they joined, and how they've grown since then. Even if they encounter criticism of me, they will likely stop themselves, think "that can't be right," and conclude "If you're going to say that much, you should ask him directly in a one-on-one meeting."

Jealousy and suspicion truly reduce a company's performance and exhaust the spirits of the people working there. If that can be resolved by bearing the burden of roundtable sessions, then isn't that an extremely efficient investment?

## [2] Questions I Receive from Students and Mid-Career Candidates Interested in Us as a Place to Work

### Question 21: At Net Protections, Can You Really Decide for Yourself What Work You Want to Do?

In a typical company, you may have to rather forcefully assert what you want to do, but at Net Protections, because you naturally end up communicating the kind of work you want to do and what you're good at, I feel that in many cases you naturally move closer to, and settle into, work that is close to what you hope for.

"This looks interesting," "I'm interested in that" ... We talk about these things with each other all the time, and they're also written in the growth-support vision sheets. In other words, since your preferences are public, you have more opportunities to come across the work you want to do, and people around you will likely reach out to you or support you.

At the same time, if those around you see that you don't have the ability, you may not be supported. That's because everyone has a good sense of about what level everyone else is at. If you realise that and keep learning, then opportunities may come around eventually. Of course, you can also consult about how to learn and what you should absorb in the first place. In short, the way we operate takes into account not only ability, but also the seriousness of your commitment to what you want to do.

## Question 22: What Happens if the Work or Department You Want Is Popular?

First of all, at Net Protections, the very concept of a “popular department” doesn’t exist. Even if you asked employees, “Which department is the star department?” I don’t think it would really register, and they probably wouldn’t be able to answer. That’s because I’m very conscious about this point, and as part of organisational design, I make sure not to create so-called star departments, fast-track career paths, or planning departments staffed with top-tier “aces.” Another thing I’m careful about in the same vein is not separating “planning” and “operations” too much. Almost everyone who joins Net Protections wants to use their unique intelligence to create something new and to plan improvements. If you split the planning departments and operations departments too cleanly, then motivation on the operations side will likely drop. This is something I’ve learned from past failures, and it’s another important approach to avoid creating popular and unpopular departments.

This is easy to understand if you think about a typical Japanese company: “I’m jealous because that guy from my intake class is in the star department,” “Our department is a second-string unit below theirs,” “We’re just a subcontractor department anyway,” “I guess I’ve been taken off the promotion track” ... Feelings like these not only create popular and unpopular departments, but they also generate intense jealousy. There’s nothing positive about it. That’s why, as an executive, I strongly keep in mind that every department must be treated fairly and equally.

In general, the department seen as the “main player” can change depending on a company’s growth stage, engineering, sales, and so on, and as a company matures, a corporate-planning-type unit may receive special treatment. But at our company, we have none of that thinking. In fact, to avoid even the appearance of favouritism, we stopped giving awards like the President’s Award or MVP that we used to present in front of everyone. We tell every department, “You’re the ace department.” Also, having new recruits “seconded” to multiple departments so they can gain as broad an experience as possible is also a measure from this perspective.

By doing this, we don’t lose flexibility in organisational transfers, and we can place people in the right roles. And if the recognition spreads that every department is important, then employees won’t need to think, “This work actually suits me, but that department is second string...,” and they will be able to choose for themselves what they want to do.

## Question 23: If Compensation Bands Are Disclosed and Differences in Ability among Employees Become Clear, Won’t That Instead Trigger Negative Reactions like Jealousy and Resentment toward One Another?

In my view, it’s actually the opposite: I feel that jealousy and resentment are less likely to arise precisely because Bands and 360-degree evaluations are in place as clear systems and because we disclose who is in which Band.

Suppose, for example, that there are many areas where compensation is not clearly defined as a system, and there are no 360-degree evaluations. If two close peers who joined in the same intake class, A and B, were to accidentally end up talking about their salaries, then if there were a meaningful gap between them, there’s no doubt the atmosphere would get pretty awkward. A, who is paid more, would feel somewhat apologetic, while B, who is paid less, would feel humiliated and bitter. It might even ruin the friendship between them.

At Net Protections, not only do we disclose the Band system, but who ends up in which Band is decided through 360-degree evaluations and executive meetings, and on top of that, the entire process is disclosed as well, so it's clear who is receiving which evaluation, and why. It's clear that A is in that Band because of the results A has delivered, and also because of the evaluations A receives from multiple people around them within the teal-style organisation. In fact, based on the day-to-day situation, there is a shared atmosphere that it's only natural for A to receive a high evaluation.

In a situation like this, even if B's Band or salary is lower than A's, B can think about their own values, goals, and way of living and take it as "he's him, I'm me," or they can think, "I'm not going to lose to A." At Net Protections, some people receive high evaluations in their twenties, but that doesn't mean they automatically become an ace-like presence or are treated as an elite. There are many cases where people later overtook others in terms of Band.

As a result, at Net Protections I feel that we have been able to minimise employees who are disengaged. People often say that the employees in companies split into a 2:6:2 ratio, where only the "top" 20% are fired up and the rest are average or disengaged, but fortunately, that doesn't apply to us.

Also, evaluations in terms of Bands and compensation are, ultimately, the result of one's own choices when working autonomously and freely. If you are satisfied with those choices yourself, then it may be that your relative position does not affect your sense of happiness.

To add one more point, because at Net Protections people can freely choose, and change, their way of working, the longer it's been since they joined, the more their ways of working diverge. Also, the extent of their multiple responsibilities and work patterns of people taking on multiple roles, who have "multiple hats," so to speak, become increasingly complex, resulting in a situation where it feels like no one else except you is working in the same way. A way of working like "remote work three days a week while holding roles in two departments and being deeply involved with other departments as well" will emerge in as many variations as there are employees. This, too, strongly reflects each employee's own choices.

That also means it becomes less likely that you end up in a situation like "comparing annual income with people from the same intake class." Because everyone is original and unique.

This is also something I repeatedly tell people in the roundtable sessions.

#### **Question 24: If You Adopt a "Teal-Style Organisation," Don't You End up with Friction or Discord Caused by Differences in Tenure or Age?**

At Net Protections, I can say flatly that we don't.

I'll say this knowing it may sound presumptuous, but I honestly don't really understand arguments like "because someone has more or less tenure," or "because they're older or younger," and so on.

Among the employees who are out front and delivering as business leaders (with responsibility for the business), there are many in their twenties who are only three or four years into the company. Several faces come to mind. In a large company or in a traditional company, they might still be

described as “promising new talent” or “next-generation aces,” but at Net Protections they are recognised by everyone and are overseeing the front lines.

In my experience, if everyone recognises them, then there’s no problem at all with someone in their twenties, or three or four years in, taking responsibility, and I think debating tenure or age in the first place has little meaning.

Because I run the roundtable sessions, I can observe changes in new graduates at fixed points up through their second year, and between the six-month mark and the second year, what they talk about, their expression, and their sense of responsibility truly are completely different. Sometimes, when I hear what they’ve been doing recently, I’m naturally surprised and end up saying, “You’re doing work that important? That’s amazing!”

This is slightly off the point of the question, but I actually think that in any company, if you have a period of about six months to a year, then anyone, whether a new graduate in their twenties or a mid-career hires, could run free and do work at a high level. I myself spent three years at a trading company without being allowed to do anything and was constantly branded the lowest in my intake class, but after changing jobs, from my fourth year as a working adult I was suddenly running at the frontlines in the BNPL business. So perhaps the issue is simply whether or not you do it, and whether or not people let you.

Bringing it back to Net Protections today, because 360-degree evaluations are functioning, you could say that friction that uses tenure or age as an excuse is extremely unlikely to occur. In 360-degree evaluations, what matters is what kind of person someone is; their tenure and age are irrelevant.

#### **Question 25: Is It Okay to Have "Drinks Get-Together"-Type Events within a Team?**

Of course it’s fine, and depending on the situation, the company will subsidise or cover the cost as well. There are also programmes such as Family Wallet.

It’s common for a team to hold a social gathering, a “good-work” get-together, or a kickoff rally. Depending on the team’s atmosphere, it’s also perfectly fine to choose not to do those kinds of events on purpose, and it’s completely fine if some people don’t participate. That said, personally, I actually restrain myself when it comes to “going out for drinks with someone.” Unless it’s a company-wide event where I can drink with all our employees, I don’t go out to dinners or drinks with anyone, and as a result I end up going home alone on Fridays too. That said, it’s not as if I get surrounded by employees at company-wide parties and peppered with questions; and if I go to a barbecue, I’m just grilling meat the whole time.

Thinking about it this way, in a teal-style organisation everyone can take off their masks and work in a way that’s extremely close to their natural selves, but perhaps I alone, the one who started it and waves the flag, live with my “representative” self and my fully private self separated. Even if I’m actually more human, more sly, and have more hopeless sides, I think I have to restrain myself in order to maintain and develop the teal-style organisation. That doesn’t mean I’ve become a 100% different persona, and the me who represents Net Protections is also, without a doubt, me... I’ve gone completely off the intent of the question.

**Question 26: If You Adopt a "Teal-Style Organisation," Won't Work End up Becoming Too Concentrated on a Small Number of High Performers?**

When someone is highly capable, their influence tends to grow in proportion, so the fact that work comes to them is a natural phenomenon.

For example, if there is someone who is so outstanding as the leading authority on a particular technology or scheme that virtually no one in the company doesn't know them, then they will be in constant demand: "I want you to help," "I want you to advise our team," "I want you to give our members a lecture," "I want you to join our team 50%, no, even just 20% of the time would be fine," and so on.

That in itself is fine, but if it makes them so busy that it harms their health, then that's a serious problem.

If someone is too busy, they would raise the issue in a one-on-one meeting and request an adjustment to their workload.. There's absolutely no need to hold back. If it's obvious to anyone that work is becoming too concentrated, and that it is negatively affecting the individual's health, including mentally, then in the end the problem will spread to people around them as well, and there is nothing positive about that.

Also, in a teal-style organisation, information sharing and communication are always dense and people speak honestly with one another, so seniors and Catalysts can more easily notice changes, and you could say it's an environment where it becomes natural to support such high-performers. I don't think it's easy to end up in the worst situation of someone silently shouldering all the work alone in a complete blind spot.

That said, there are cases where work inevitably concentrates for a period of time. An obvious example is finance/accounting ahead of a financial results announcement: the deadlines are fixed, so you simply have to work hard toward them. But even then, it isn't left unattended, and precisely because there is a structure where support can be provided if something happens, I think there is only a low risk of a tough situation being overlooked.

**Question 27: I Consider Myself the Type Who Likes to Work Quietly and Deeply on My Own; Does That Mean I'm Not Suited to Net Protections' Teal-Style Organisation?**

Even among people who say they "work quietly and deeply on their own," there are all sorts, but as a general point, we also like to hire researcher-type people, and we do have graduate degree holders joining as well. People who can dig deeply into their strengths and specialties are attractive. Even when I follow how people who seem like researcher types, or who see themselves as researcher types, are doing, through records of roundtable sessions and the like, I feel that they are generally satisfied and are enjoying their work.

If someone is so uncomfortable with interpersonal relationships that they want to refuse all communication, then that would probably become an issue at the hiring stage. But even when people self-assess that they're not good at communication, once they actually join, they sometimes find they can enjoy it more than expected, and it turns out it was just an assumption. I believe we can grasp that by doing long interviews, so once someone has joined, perhaps we don't need to

worry so much.

This is slightly different, but I myself, back when I was job hunting, was in despair over my lack of imagination, and I honestly told this to my interviewers. But now that I think about it, I'd even want to say that "imagination is my strong suit."

In other words, you may not actually know yourself as well as you think, or perhaps you're simply suppressing it and keeping it hidden in everyday life. At Net Protections, you can work as your natural self, and because everyone around you behaves that way, it happens naturally. Then your strengths, those things that were hidden or that you were unconsciously hiding, may become more likely to come out. And the people around you will increasingly support you, saying, "That's great, go for it!"

In the latter half of this chapter, I answered questions with job seekers in mind, and in Chapter 5 that follows, the editorial team interviewed a variety of employees who actually work at Net Protections about what they're like, and how they work and think. I'm also looking forward to reading it.

# Chapter 5

## Net Protections' Corporate Culture Seen from the Inside — Interviews with Employees and Executives

### Interview 01

中山 健弘 Takehiro Yamanaka

BtoC Services & Product Group; Team Leader, Cost Control / Credit System Development (Generative AI WG Leader; also affiliated with the General Corporate Planning Group and the Credit Tech Group)

While enrolled in the Graduate School of Science at the University of Tokyo, Takehiro joined as a long-term intern and formally joined Net Protections in 2021. Starting in the BtoC Services & Product Group, he now concurrently holds multiple roles, including leading cost control and credit system development for the “NP Atobarai” business.

**Takehiro has a somewhat unusual background in that he jumped from a doctoral programme straight to the front lines of business. What is the real story of how he moved from a life devoted entirely to research to a life of developing a management perspective within a teal-style organisation and becoming a core member?**

#### What Does Cross-Functional Work with a Management Mindset Look Like?

I hold concurrent roles across multiple departments. My main responsibilities are credit system development for “NP Atobarai” and managing company-wide, cross-functional initiatives to reduce costs, but in addition I’m involved with three other cross-functional departments. Some of the departments I joined because I was invited; one of them was created from my own proposal. People sometimes ask whether it’s really okay to juggle that many roles, but, as a result, I feel that I’m able to leverage my strengths by viewing the business and the company as a whole from a variety of positions.

I was doing biology research in a doctoral programme in graduate school, but I gradually came to feel that, rather than a way of working where you master a single domain as a researcher, it might suit me better to plan and drive initiatives by combining knowledge from diverse fields. So, I began looking for a company, and early on I had an opportunity to learn about Net Protections’ teal-style organisation. More than the industry or the scale of the business, I was drawn to Net Protections’ way of working and the distinctive way the organisation is run.

When I visited the company, what left a strong impression on me was how younger employees, as a matter of course, had a management mindset and worked in a autonomous manner. In the end, I joined as a long-term intern and then entered the company full-time. The image I had at that time has barely changed even now, in my fifth year after joining. It was the company I expected.

#### Learning by Apprenticeship, Then Bouncing Ideas Off the CEO in Roundtable sessions?

What was very positive in my training after entering the company was the "apprenticeship system."

The idea is that you "apprentice" yourself to three seniors for two weeks each, shadowing them and learning by observation. Right away, on the front lines of business, I was able to experience up close how senior colleagues at a much higher level think and respond. When I worked under Naohiro Ogawa, who is now a director, there was also time every morning for me to raise questions or concerns I had and receive feedback. In doing so, right from the new-graduate stage I gained a level of learning and perspective that you would probably need years of experience to get in a typical company, and this has been a huge asset.

Beyond that, there were "secondments" to multiple departments (now called "OJT"), and opportunities, even at the training stage, to participate as a member in important projects. I was able to experience working autonomously from the very beginning, and I also felt that the culture of the company actively gives important opportunities to younger employees.

That being said, for someone who was a student until recently, it's difficult to suddenly be told to think for yourself and act with a high degree of autonomy. So, above all, the seniors show you how they operate in practice and what results they produce, and Shibata-san, our company's representative, engages sincerely with each person's various cases in the roundtable sessions and gives feedback, as a senior, as someone at the management layer, and as the founder.

In my own case, I used the roundtable sessions as an opportunity to test my ideas directly with the CEO. On reflection, however, such direct access to the CEO is far from common. Moreover, in order to help me further refine and realise my ideas, the themes raised in these roundtable sessions were connected to various people across the organisation, which in turn led to concrete work opportunities for me.

### **The Joy of Seeing Your Own Thinking and Ideas Reflected in the Results**

One of Net Protections' defining features is that even younger employees are actively involved in decision-making and can reflect their own ideas in the business. Looking back, what has left the strongest impression on me in my work so far is the experience of being involved in a project that achieved profitability.

At that time, securing profitability for "NP Atobarai" had become a pressing issue, and we needed to improve various mechanisms to raise operating profit. The entire project team committed itself to identifying issues exhaustively and implementing as many effective measures as possible. As a relatively junior member, I analysed the situation, proposed ideas that were adopted, and translated them into concrete initiatives while estimating their impact. Seeing these efforts significantly improve the profit structure and be reflected in the financial results gave me an unprecedented sense of accomplishment. We were also able to share that sense of achievement across the team. The very fact that such opportunities are entrusted to younger employees is, I believe, quite rare.

In a teal-style organisation, compared with an organisation where the leadership decides everything, it is true that it can sometimes take time before things begin to move. But if you keep at it over the medium to long term, because all members develop a managerial perspective, then you end up in a situation where you are not dependent on top-down direction from a single person, and unexpected seeds of growth and insights emerge from across the organisation.

Working in such an environment is immensely rewarding; there is the satisfaction of driving the business forward autonomously, as well as the sense of growth when you achieve something. This corporate culture at Net Protections is probably very unusual, and when I talked with friends who work at other companies, I came to realise how frequently employees of my generation are unable to act freely, are discouraged from thinking independently, and find their leadership scope so constrained that they spend much of their time waiting for instructions and decisions from above. Perhaps the fact that we have cleared all of that away is precisely the strength of Net Protections' organisational capability.

I have also been involved in hiring new graduates and mid-career employees, and what I prioritise is whether candidates can act autonomously. People who are not bound by a single role or affiliation, who proactively seek out information, think for themselves, create plans, and drive them forward have the potential to thrive in a teal-style organisation. Such organisations are ill-suited to those who require constant direction, but for those drawn to autonomy, few companies in Japan can match Net Protections. Rather than being assigned to a department and given a specific job, there is the satisfaction of observing everything cross-functionally, identifying opportunities to create meaningful change and bringing them to fruition.

Employees are given significant autonomy from an early stage, and autonomous efforts are met with encouragement and support from colleagues. In turn, one grows continuously whilst respecting and encouraging one's colleagues. For those who wish to take on challenges of their own volition, this is arguably an ideal environment.

## Interview 02

劉思琦 Szu-Chi Liu

Backend Engineer, atone Group

Originally from Taiwan. After graduating from Ritsumeikan Asia Pacific University (APU), joined Net Protections in 2021. After working for two years at Net Protections' Taiwan subsidiary, returned to Japan again in 2023. Has been consistently involved in system development since joining.

**Szu-Chi's journey with Net Protections began amidst the COVID-19 pandemic, during a career transition from her native Taiwan. Having experienced success in a flat organisational structure where even the system development team participates in discussions from the outset, what growth trajectory is she now charting since her return to Japan?**

### Joined Because I Was Drawn to the Corporate Culture and Training System

I enrolled in a university in Japan, and, because I wanted to work in Japan as well, I did my job-hunting in Japan and received an offer from Net Protections. However, because that period coincided with the COVID-19 pandemic, it proved difficult to secure a visa. Fortunately, the company had a subsidiary in Taiwan, so I spent my first two years there before relocating to Japan. I underwent the training programme alongside that year's cohort of new graduates. It is a slightly unusual pattern, but in total, this is my fifth year. The job-hunting process itself was exactly the same route as that taken by new Japanese graduates.

At university, I majored in international relations, but towards the end of my degree, I developed a sudden interest in programming and system development and began to teach myself these skills. I found it surprisingly enjoyable and well aligned with my strengths, so I sought a company where I could pursue this newfound passion for programming.

During my job search, I explored opportunities at both Japanese firms and foreign companies with operations in Japan, but when I first learnt about Net Protections through a recruitment agency, it immediately stood out as distinctly different from the rest. I was drawn to its flat structure—free of hierarchies and managers—its informal atmosphere, and the prospect of genuinely enjoying one's work.

As I recall, at the time I was not narrowly focused on fintech or BNPL; rather, corporate culture mattered more to me than the sector itself. In addition, the availability of comprehensive system development training for those without prior experience suited my circumstances, and I was also attracted by the opportunity for junior employees—even those in programming roles, which tend to operate behind the scenes—to be involved from the planning stage.

### **Engaging with a Major Business Initiative from Scratch Within Six Months**

The impression I had during my job search did not change after I joined.

During my time at the Taiwan subsidiary, when I had been with the company for about a year, I vividly remember the profound sense of accomplishment I gained from participating in the planning stages of a major new project with Yahoo Taiwan.

On a daily basis, the head of the Taiwan subsidiary and senior colleagues naturally involved me in conversations, meetings, and meals where ideas were freely exchanged. This project unfolded in much the same manner. I really felt how flat the organisation was. There was no need to adopt artificial formality, suppress one's views, or defer excessively to more senior colleagues simply because it was a corporate environment. Moreover, I contributed to a significant success.

System development is generally perceived as a behind-the-scenes role. Typically, developers are brought in only after strategic decisions have been made, joining at the stage of determining specifications and timelines.

But at Net Protections, from the earliest stages, one collaborates closely with colleagues from diverse backgrounds and departments, drawing upon each person's strengths. Seeing these efforts translate into tangible business outcomes is deeply rewarding and creates an entirely different level of fulfilment.

Since returning to Japan, this sense has remained unchanged. Given that programming transcends linguistic barriers, roughly half of my team comprises international members. Irrespective of gender, age, or nationality, everyone works in their own way whilst drawing upon one another's strengths. Moreover, with well-established support for maternity and childcare, women can feel confident about pursuing long-term careers.

## Aspiring to Master System Development from the Earliest Stages

I began attending roundtable sessions after returning to Japan. Having already internalised the principle that one could speak candidly with anyone, I found them immensely valuable. Whether the matter was complex or a straightforward query, Shibata-san would address it immediately, enabling me to proceed with confidence in my own judgement.

In my daily work, I have come to regard this environment as entirely natural, but occasional encounters with university friends who joined traditional large Japanese corporations remind me how markedly different a teal-style organisation is. My friends at such firms describe rigid prescriptions governing dress, language, and working practices, yet often no one can explain their rationale. Junior staff who voice opinions risk being perceived as presumptuous, leaving them little choice but to follow directives from management. All of this stands in stark contrast to Net Protections.

Looking ahead, I aim to deepen my technical expertise whilst developing the ability to contribute a system development perspective from the earliest stages of project planning.

Net Protections' teal-style organisation is ideally suited to those who thrive on self-management. Those with a clear sense of purpose who, guided by their own vision, can collaborate productively with like-minded colleagues possessing diverse skills will find both intellectual stimulation and fulfilment. For those who wish to cultivate managerial capabilities and apply them early in their careers, this is an exceptionally conducive environment—and precisely the kind of talent the company seeks.

### Interview 03

真田紀子 Noriko Sanada

Marketing Group / Corporate Communications Group, Catalyst

Graduated from Chuo University. After working at Mitsubishi UFJ Bank, among others, she served in PR roles at Rakuten and Infurion and was involved in launching the Fintech Association of Japan. In 2022, she founded GRANDCELL Inc. and became independent. She then joined Net Protections at the end of 2022.

**Noriko runs her own company whilst also handling public relations as an employee at Net Protections. How does her unconventional approach to work and employment—unbound by traditional assumptions—affect not only herself and the company, but also her colleagues?**

#### Not a Side Job: “Main Job + Main Job”

At present, as founder and CEO of my own firm, I run a PR consultancy promoting traditional culture, regional revitalisation, and Japanese startups, both domestically and abroad. Concurrently, I serve as communications manager at Net Protections, where I lead PR initiatives including media engagement, corporate messaging to enhance visibility, and event planning and execution.

As previously discussed, I allocate my time approximately equally between the two roles. At Net Protections, I receive half the compensation of a full-time role. The arrangement is not rigidly split; rather, we discuss workload and timing as needed, balancing commitments over approximately six-month periods. Since there is no requirement to spend half of each week in the office, the arrangement proves quite manageable once established.

This arrangement is often misunderstood: I do not regard one role as primary and the other as secondary. Whilst a 'side job' typically denotes supplementary work undertaken to augment income, both my consultancy and my role at Net Protections constitute my core profession: public relations. Two others at Net Protections currently work under similar arrangements, though the specific allocation varies according to individual circumstances.

### **How Did This Unprecedented “50% Employment” Arrangement Come About?**

This unconventional working arrangement originated with my own circumstances.

Whilst heading PR at a fintech firm, I found our office fortuitously located near Net Protections and, given the industry's nascent stage, I developed connections with their executives and staff. When I informed them of my impending departure, they proposed that I assist with their PR efforts—either as a full-time employee or, should I choose to go independent, on a consultancy basis.

Though appreciative of the offer, I initially declined. Having observed Net Protections' distinctive culture—particularly the compelling dynamics of its interpersonal relationships—from an external vantage point, I doubted I could effectively balance running my own firm whilst integrating into such an environment as a contractor.

They then returned with an alternative proposal: “a 50% employee system.”

They had devised this unprecedented arrangement specifically to accommodate my circumstances. After considerable deliberation, my curiosity about what made Net Protections' employees consistently content prevailed, and I accepted the 50% arrangement.

### **A Source of Stimulation for All: Myself, the Company, and My Colleagues**

After joining, I was treated the same as other mid-career hires, and I went through training, roundtable sessions, and the “secondment” programme.

Given my extensive PR experience, I initially struggled to understand the purpose of roundtable sessions or, indeed, the secondment programme. I was impatient to begin contributing.

However, the two-month secondment across various departments afforded me intimate insight into the distinctive culture and relationships fostered by Net Protections' teal-style organisation, which proved invaluable to my subsequent PR responsibilities. Equally significant was the opportunity to address emerging questions and ideas through direct feedback from Shibata-san in concurrent roundtable sessions.

Personally, I find this arrangement profoundly meaningful. Were I to work solely within my own firm, much of my activity would necessarily be solitary; at Net Protections, by contrast, I engage with colleagues across all levels—from junior staff to executives—and participate not only in communications work but in strategic decision-making. This experience, in turn, enriches my approach to my consultancy work.

Conversely, Net Protections benefits from embracing employment models beyond conventional paradigms. Individuals bringing external perspectives and unencumbered expertise can engage authentically in decision-making as full colleagues. Given the organisation's youthful workforce, receptivity to diverse perspectives, and absence of hierarchical structures, I believe such 'unconventional' presences can prove highly catalytic.

Moreover, my position perhaps epitomises the teal-style organisation's essence: the freedom to operate autonomously and define one's own role. I am simultaneously an employee here and the chief executive of my own firm—neither contractor nor conventional full-time staff.

After nearly three years within Net Protections, my arrangement has served as a precedent for similar part-time appointments in other functions. Though unintended at the outset, I find it unexpectedly gratifying to have contributed to broadening employment flexibility.

As a mid-career professional who joined Net Protections after experience at several firms, I believe the company's strength derives from the originality born of its profound distinctiveness. Regardless of one's background or circumstances, those who resonate with the teal-style organisation can engage on their own terms—an approach the culture actively embraces. This flexibility, rooted in mutual recognition and leveraging of strengths, sustains the company's innovation and growth. Contributing to this pioneering approach is both gratifying and deeply fulfilling.

## Interview 04 角元友樹 Yuki Kakumoto

Director; Head of Credit Screening / Head of Overseas Business

Graduated from Kyoto University and its graduate school. Joined Net Protections in 2014. In his second year, he became a new business leader; in his fourth year, he launched an overseas project and started the payment service "AFTEE" in Taiwan. Since 2024, he has served as a director, Head of Credit Screening, and Head of Overseas Business.

**"Aren't you interested in going overseas?" A casual remark in the smoking area prompted Yuki to pursue an overseas venture. How did this initiative—undertaken by raising his hand and advancing alongside teammates—come to epitomise the autonomy and collaboration that define Net Protections?**

### **The Overseas Venture: Born in the Smoking Area!?**

I have been leading the BNPL business in Taiwan for seven years. I now oversee our Asian operations whilst serving as both CEO of the Taiwan subsidiary and director at Net Protections.

Having joined in 2014, I am now amongst the company's longest-serving members. At that time, the company had approximately 50 employees, and formal structures such as roundtable sessions or the apprenticeship programme had yet to be established. Nevertheless, informal interaction with senior colleagues and leadership was frequent, fostering an intimate atmosphere where learning and mentorship occurred naturally over meals and drinks at a local establishment after hours. Casual conversations—beginning with simple queries about recent events—evolved into exchanges of professional ideas, concerns, and lighter banter, creating a supportive atmosphere that transcended seniority and departmental boundaries. This collaborative approach—refining ideas through collective discussion and realising them with mutual support—suited me perfectly.

Whilst Shibata-san has characterised the overseas expansion as something that simply happened, I vividly recall the moment that catalysed it. One day in 2017, whilst smoking, Shibata-san approached me with a characteristically casual remark: "Kakumoto, any interest in going overseas?" To which I immediately responded, "Absolutely!" Though I had long harboured a nascent interest in overseas expansion, that single exchange crystallised the possibility: this was genuinely achievable.

When I approached several potentially interested colleagues, the response exceeded expectations. Consequently, alongside my primary responsibilities in system development and credit operations, I utilised the 20% working groups framework to assemble a team and establish an overseas initiative.

We conducted collaborative research, exchanged ideas, and swiftly undertook reconnaissance visits to several countries. Taiwan emerged as the most promising market. In December of that year, we presented the proposal to the board and secured approval. By January 2018, we had relocated to Taiwan and, within six months, established the infrastructure, developed the product, and launched the service. The entire venture unfolded within approximately a year of that initial conversation in the smoking area.

Though we received counsel and support, no directives were issued beyond that initial enquiry. The entire process unfolded through autonomous initiative. The pace often surprises observers, yet it reflects the exceptional commitment of my collaborators and the organic support we received, which attracted both talent and expertise.

### **Net Protections' Organisational Culture Blending with Taiwan**

Upon relocating to Taiwan, I found the differences in business customs and culture fascinating. Taiwanese workplace relationships tend to be warmer and more personal than in Japan, yet work structures are markedly role-defined and hierarchical. Rather than transplanting Net Protections' culture of autonomy, decentralisation, and collaboration wholesale, we cultivated strong internal bonds by integrating positive aspects of Taiwanese work practices through consultation with local staff. This approach may explain why former employees frequently visit, and why I was recently invited to attend an ex-colleague's wedding. Whilst this organisational culture remains uncommon in Taiwan and often surprises observers, our below-average turnover rate and high proportion of referral-based hires suggest it resonates strongly with local talent.

A recent anecdote involving a former Taiwanese colleague proved particularly illuminating. At Net Protections,

candidly sharing one's career aspirations is standard practice. Upon joining a British firm, this individual transparently mentioned considering other opportunities as part of their long-term vision—and was promptly dismissed. This underscored the exceptional nature of Net Protections' culture: one that embraces candour and eliminates the need for professional façades, even by global standards. We laughed together at the realisation: such candour simply does not translate universally.

### **A Singular Teal-style Organisation: Perpetuating the Culture**

Few conventional organisations would entrust a fourth-year employee with leading an overseas venture. At Net Protections, however, voicing one's ambitions is paramount. Such declarations generate support and galvanise colleagues, transforming individual initiative into organisational momentum.

As the organisation has expanded nearly tenfold from its once intimate scale, Shibata-san appears determined to preserve and nurture the organic culture that characterised my early years: one free from power imbalances, where initiative flows freely and colleagues from diverse backgrounds collaborate as equals to generate value. He pursues this through mechanisms such as roundtable sessions and structured training, scaling these practices to accommodate several hundred employees, with aspirations to sustain them beyond a thousand. I regard this as a deliberate effort to safeguard Net Protections' distinctive culture, and conversations with recent recruits suggest it is succeeding admirably.

Upon joining, I scarcely envisaged remaining here for over a decade, and at key junctures I have weighed alternative paths, including entrepreneurship and other employment opportunities. Yet I remain at Net Protections because of something truly unique: the profound satisfaction derived from genuine collaboration—trusting and understanding one another whilst achieving excellence collectively.

The formation of a teal-style organisation inevitably entails numerous trade-offs and delicate balancing acts. I had sensed that Shibata-san must have navigated considerable challenges as a leader, and this book illuminates those struggles. Now occupying a leadership role myself, I appreciate anew that such efforts enabled us to remain highly motivated and operate autonomously with initiative. This underscores both the difficulty and the immense value of cultivating a teal-style organisation.

Graduated from Chiba University. Joined Nissan Motor in 1982 and worked in accounting, finance, corporate planning, and related areas. He later served as a director at the Konami Group and Asahi Net, and as a full-time corporate auditor at Bizcom, among other roles. He has held his current position since June 2024.

**What kind of corporate culture at Net Protections becomes visible to Koichi precisely because he has spent many years in corporate planning and IR at large enterprises? And where does his conviction come from that the teal-style organisation model can coexist with the governance required of a listed company?**

#### Astonishment at How Nearly Everything Is Disclosed and Shared

Since 2024, I have served as director and full-time Audit and Supervisory Committee member at Net Protections Holdings, and as full-time corporate auditor at its operating subsidiary, Net Protections. Having commenced my professional career in 1982, I occupy a somewhat singular position: whilst likely possessing the longest career tenure of anyone at Net Protections, I joined the organisation only recently.

My career has spanned several listed companies. At Nissan Motor, I worked in accounting, finance, and corporate planning; at Konami Group, I managed investor relations and oversaw subsidiaries; at Asahi Net, I served as director responsible for corporate planning and administration; and at Bizcom, I held the position of full-time corporate auditor. Throughout, I have occupied roles at the heart of corporate governance across a range of sectors.

As corporate auditor, I assess compliance with laws, regulations, and articles of incorporation, coordinate with external auditors, and verify internal controls and risk management to safeguard organisational integrity. My initial surprise upon joining Net Protections was the exceptional transparency of information required for audit purposes. Information asymmetries between roles are minimal, and the ease of direct dialogue with both executives and staff enables highly efficient operations.

Much of my career unfolded within traditional hierarchical structures, including organisations dominated by a single leader. Executive information cascades through layers, progressively filtered and reinterpreted at each level, such that junior staff receive diluted and often distorted communications. Consequently, junior employees find little space for ambitious proposals, and many abandon aspirations to effect meaningful change.

But at Net Protections, with the exception of constraints related to law and compliance, most information is disclosed and shared with all employees.

Equally noteworthy is the absence of departmental silos. Large enterprises typically enforce rigid demarcations—overseas operations confined to international divisions, for instance—whereas here, individuals freely contribute insights and act cross-functionally as circumstances require. Cross-departmental collaboration emerges organically, and witnessing collective problem-solving reinforces my conviction that this is genuinely an organisation free from structural distortions.

## **Governance and a Teal-style Organisation Can Coexist**

I expect many readers of this book are business leaders, and like you, I initially harboured concerns about the compatibility of a teal-style organisation with the governance standards required of listed companies.

Conventional wisdom suggests inherent tension: governance demands clear delineation of authority and accountability, whilst teal-style organisations embrace decentralisation and autonomy.

In practice, however, the board conducts rigorous deliberations, authority is clearly delineated, and compliance training is comprehensively implemented.

What struck me most was that even in governance domains, such as internal controls mandated by J-SOX (Japan's internal control reporting framework under the Financial Instruments and Exchange Act, requiring listed companies to ensure financial reporting reliability), employees spontaneously form cross-departmental working groups to design and maintain these systems. Participants extend beyond accounting professionals to include developers. At most organisations, such work represents a grudging compliance exercise; at Net Protections, by contrast, employees engage proactively and voluntarily in governance matters. Such a culture is exceedingly rare amongst listed companies and struck me as genuinely refreshing.

Net Protections' distinctiveness, as I perceive it, lies in the manner in which the teal-style organisation and governance interweave like warp and weft. From an auditor's perspective, this culture of transparent information-sharing not only facilitates my work but provides genuine assurance.

## **Teal-style Organisations as a Viable Model for Listed Companies**

Within this culture, junior employees operate with a comprehensive understanding of the business. It is unremarkable for employees, within a few years of joining, to propose new ventures and spearhead partnerships with external organisations. When I learnt that Kakumoto-san drove a major business initiative in his fourth year, I recognised this as inconceivable within traditional Japanese corporations.

The absence of hierarchical oversight necessitates autonomous thinking and action from all. New employees develop autonomy through iterative learning from setbacks, contributing with striking rapidity.

In my previous organisations, employees in their third or fourth year remained in subordinate roles, awaiting directives. Here, such junior staff routinely influence strategic direction. This stems from an environment where executive information is universally accessible and all voices are welcomed. Junior employees can offer incisive proposals precisely because information flows freely and departmental barriers have been eliminated.

Business leaders, though drawn to teal-style organisations, may harbour persistent doubts about their viability within listed companies. Having observed Net Protections, I am convinced such integration is entirely feasible. The essential lies in balancing autonomy with governance: maximising teal-style freedom whilst rigorously maintaining the governance standards that listed companies require. These imperatives are not mutually exclusive.

Moreover, even autocratic leaders face inherent limitations and often harbour an unspoken desire for greater employee initiative. The teal-style organisation addresses precisely this need. Should such leaders boldly share

executive information universally and eliminate hierarchical dependencies, employees will achieve autonomy and the organisation will unlock sustainable growth potential.

Net Protections evokes, for me, the Republic of Venice (697–1797), which achieved prosperity not through reliance on monarchs or hierarchical authority but through the collective will and collaboration of its citizens, much as Net Protections thrives through employee autonomy and cooperation.

Of course, a culture like this does not take root overnight. Development takes time, and in the beginning it can be difficult to produce results. But once employees reach the stage of being able to operate independently, the organisation can outperform conventional structures. I am convinced that the Net Protections case can become a new model for all companies, and especially for listed companies.

# Epilogue

## Are Teal-style Organisations Progressive on the Surface but Reminiscent of the Shōwa Era?

The transformation into a teal-style organisation has enhanced equilibrium across all dimensions and substantially strengthened organisational resilience.

Today, business units and departments operate autonomously without requiring my direction. Moreover, performance standards continue to rise.

Witnessing recent recruits swiftly evolve into passionate, responsible professionals operating in a flow state brings me immense satisfaction. Innovations emerge continually, often revealing possibilities I had not envisaged despite founding the enterprise, and enthusiasm pervades the organisation. Collaboration flows unimpeded.

Based on historical accounts, I suspect that early postwar Japanese startups during the Shōwa era and the nascent high-growth period embodied precisely this spirit.

Amidst political and economic upheaval, passionate individuals coalesced to pursue their aspirations, supporting one another until breakthroughs emerged and captured widespread success. Perhaps such environments were largely free from rivalry and obstruction, offering instead a space where individuals could contribute their passions, collaborate without artificial barriers or ego, and concentrate on creating ventures that served societal needs.

Conversely, having pursued this model with such determination, I must acknowledge that teal-style organisations cannot be established overnight.

Given that not all stakeholders may initially embrace a teal-style organisation, transition demands broad consensus and deliberate, incremental change. Critical challenges include unifying collective aspirations, establishing and embedding the MVV whilst maintaining operations and delivering results, and attracting talent aligned with this culture. This journey inevitably entails friction, anxiety, and discontent, requiring continual refinement. Leadership must embody the principles themselves, demonstrating unwavering dedication and integrity in fostering organisational autonomy.

Crucially, the organisation must be populated by individuals genuinely committed to the teal model, with this alignment intensifying over time. Individuals who resist collaboration, cultivate fiefdoms, or cling to hierarchical privilege must either adapt through exposure to the model's benefits or ultimately depart. Whilst this transition proves time-consuming given employment protections, it is precisely then that teal-style organisations begin realising their full potential.

In organisational theory, the “Teal Organisation” is presented as an elegant, idealised construct. Yet as this account demonstrates, actualisation demands considerable time and navigates profound human tensions.

I earnestly hope that Net Protections' journey—our experiment—provides actionable insights for business leaders, professionals exploring teal-style organisations, and aspiring employees alike, accelerating the adoption of such models and fostering workplaces where individuals can operate authentically. If our trials and their resolution prove instructive, this contribution, alongside our BNPL business, represents a meaningful form of societal impact.

Thank you very much for reading this book to the end.

**October 2025**  
**Shin Shibata**

#### About the Author

##### President and Representative Director

After graduating from Hitotsubashi University in 1998, Shin Shibata joined Nissho Iwai Corporation (now Sojitz Corporation). In 2001, he moved to ITX Corporation, an IT-focused investment company, where he led the acquisition of Net Protections, Inc. He was subsequently seconded to Net Protections and launched NP Atobarai, Japan's first risk-free, guaranteed Buy Now Pay Later (BNPL) service. In recognition of his entrepreneurial leadership, he received the Entrepreneur of the Year Special Award in 2017. He currently serves as Chairman of the Japan BNPL Association.



#### book information

title | **“Kanrishoku wo Zenpai Shimashita”**  
(We Abolished Managers Building a trust-based, autonomous organization)

author | **Shin Shibata**  
(CEO of Net Protections, Inc.)



#### company information



Net Protections, Inc.  
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<https://corp.netprotections.com/en/>