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Case #4: Workplace

Kato-san paused at the door to his wife's hospital room in Osaka. She was facing the garden. She'd lost weight in the last months, and her face looked younger than in recent years. If it weren't for the shadows under her eyes and the translucence of her skin, he knew that she would be pleased too. Kato-san moved slowly towards the bed and cleared his throat.

"Ah," his wife smiled, "it's good to see you."

"Yes," Kato-san answered, trying not to let his concern show on his face. The doctors had said that, in a carefully controlled environment, his wife would do fine. Her illness is not terminal, the doctors had emphasized. It was a heart condition that could be well controlled, but her medications had to be carefully monitored.

"Have the girls invited you to dinner?" Yuko-san asked, referring to their married daughters, Sachiko and Kimie.

"Yes, many times," he answered laughing. "I'm trying to put them off."

Yuko-san laughed too. She held his hand.

Kato felt tears well up behind his eyes. From the moment of their arranged marriage he had felt nothing but affection towards his wife. The years of building TODA as a supplier company to TOSKA had been difficult, but had not distanced him from his wife or his daughters. On the contrary, he had often arranged dinner meetings near their home so that he could return at a reasonable hour.

Now his wife looked questioningly at him. He knew she was thinking about TOSKA's offer to move his company to Thailand, where it would be closer to the new TOSKA factory. She knew that his situation was no different than many other Japanese supplier companies. With the support of MITI, major Japanese companies were encouraging their suppliers to move with them to lower cost markets. There were already well over three hundred Japanese auto suppliers in United States alone.

"You might need to leave Japan for awhile," she said softly.

"No, I am thinking of not moving the company."

"Anata." His wife's voice was gentle. "What will you do?"

Kato fell silent. He knew she was right. TOSKA had been good to him. When Yuko-san had first become ill, TODA had fallen behind on filling orders and he encountered difficulties in organizing his engineering staff to work with their TOSKA counterparts on the new models. He knew also that the company had access to cheaper supplies in Asia through the internet. The company had resisted an internet auction even though there was pressure to reduce costs from their US customers. A few months earlier, Sato-san, Vice President of TOSKA, had called him in and asked about the situation.

"We will reduce our orders to TODA by fifteen percent this year and the same the following year. I understand that you have family problems," he said in an abrupt manner.

"Thank you. I am so sorry for being a nuisance," Kato had answered. He was used to Sato's rudeness. All suppliers were spoken to in the same derogatory manner. He accepted that.

"If TODA completes all the orders, then we will add business," Sato-san said softly.

"I understand, I'm sorry to cause all this bother."

"No bother," Sato-san replied.

Kato was silent. He knew that TOSKA's policy was similar to most large Japanese firms. Even in a harsh economic climate many hadn't traded in their old Japanese suppliers for an internet package from Taiwan or Thailand. It was the Japanese way: loyalty in return for service. That tradeoff might be his demise. He knew that Sato understood his family situation and was taking that into account in invoking this policy. TOSKA's actions would be very different if Sato suspected that TODA was disobedient. It was unthinkable to Sato that Kato would refuse to move to Thailand. He knew that Sato was thinking of Thailand and the interview ended with an uncomfortable silence.

Last week Sato had called him to his office again. "We are thinking that you should move to Thailand by next spring," he'd said. "Our main factory will move by then near Bangkok. It is hot there, but it has all the conveniences of modern life." Kato had watched Sato carefully. There was no disputing this suggestion. He was sure that Sato knew about Yuko-san's condition and expected that Kato would leave his family in Japan.

"Thank you for the suggestion," Kato said quickly. Bowing, he left the room.

Now, sitting next to Yuko-san, he could not imagine life in Thailand without her. It would take at least a three years, and possibly longer, to get TODA well-enough established there for him to be able to return to Osaka. He must think.

Today he was having lunch with his good friend Bill Thomas from Illinois. He'd met Bill when he had spent two years as an engineering student in America, and they'd become immediate friends. In fact, it was their friendship that had encouraged Bill to pursue an internship in Japan and eventually to make his life in Tokyo. Bill was a real American, tough-minded and always ready for action. He'd written a book how to access the Japanese market, ran a successful consulting firm that served foreign firms seeking to operate in Japan, and liked problem solving. Kato-san decided to ask Bill's advice.

"I must go now," he said gently. "I'll be back this evening."

He met Bill at a shabu-shabu restaurant in Osaka. Kato suspected that Bill liked shabu-shabu because of all the meat. Bill was seated by the time he arrived.

"How's Yuko-san," Bill asked immediately.

Kato smiled at Bill's usual blunt manner. "Good, Bill. Thank you for asking. The doctors say that she will be okay, but she must be careful, though, and watch her fatigue. I will send her to the mountains for the summer. She has an aunt who lives in Niigata. I think that will help."

"Boy, that's rough," Bill answered. "Well, I'm glad to hear that she will be okay."

They chatted about the coming heat and Bill's business. Kato knew that Bill had contact with many US and Japanese firms. He was also aware that Bill was in and out of MITI offices. He used his ability to speak Japanese well, and armed with information from his "friends" in Japan, he had testified before Congress about the problems of doing business with Japan. Bill ordered a second round of beers.

"I have a small difficulty," Kato said and smiled.

Bill put down his beer. His body tensed. Both men knew that Kato rarely brought up his personal problems. "I thought you said Yuko-san was going to be okay."

Kato hesitated. He knew that he was taking a chance. Bill was always on the look-out for information about supplier-company relations. In fact, he'd grilled Kato several times about the impact of recent "hollowing" and the way that Japanese supplier firms were being required to move out to the Pacific Rim. He'd wanted to know whether Kato was being pressured to leave, where the new firms were being located, and what kind of networks were being established in the Pacific Rim. He even wanted to know whether TOSKA had a training program in Japan for Pacific Rim engineers. He also inquired just how loyal Japanese were to their suppliers in the face of the new price cutting e-business world. US needed this information for their trade negotiations. Large companies like IBM needed this information for their strategy. Would Bill use the information about TOSKA to pressure MITI about US firms' entry into the Japanese market? He tried to think clearly about the implications of confiding in Bill, but he could think only of his wife's pale hands.

"TODA has been asked to move to Thailand by TOSKA," he said in a quiet voice.

Bill was silent. Then he said quietly, understanding the whole situation, "Thailand's hot."

"Yes," Kato said relied, "very hot. Many suppliers are moving."

"Yes, I know," Bill answered. "But more American firms are moving into Japan too. It is just a matter of time. You don't have to go," he continued. "The climate would be bad for Yuko-san."

"It is difficult," Kato answered and watched a pink piece of meat sink toward the bottom of the hot soup.

"No," Bill answered, "it is not difficult. I know a solid American company that is setting up a factory in Hokkaido. It needs local suppliers. Hokkaido would be a great place for Yuko-san. I could arrange a meeting."

Kato looked at his plate. The limp vegetables looked translucent. He picked at a scallion. This was the second time Bill had tried to arrange a meeting between TODA and an American firm. In the past he'd refused, gently pointing out his obligation to TOSKA. Now he toyed with his food, thinking of an American high-tech company that had fired its employees last year and broke off all its supplier contracts. Pink slips and canceled orders without warning or recourse. In some cases the employees were performing, but mostly the company was feeling pressure from the home office, where several thousand people had been fired. The American way was harsh, he thought. He knew that family problems would never be a consideration for a US firm. He knew also that he and his wife would not have survived this far without that concern. Yet he also knew even in the recession TOSKA would go to great length to avoid across the firing. He'd seen TOSKA ship employees to remote areas at low wages before they cut employees. He'd also known managers take a cut in salary during harsh times.

"Well," Bill probed him gently and smiled. "Well, Kato-san, what do you say?"