Japanese Business in the United States: Unintentional Definition of the Other

Yujin Yaguchi

College of William & Mary - Arts & Sciences

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JAPANESE BUSINESS IN THE UNITED STATES:
UNINTENTIONAL DEFINITION OF THE OTHER

A Thesis
Presented to
The Faculty of the Program in American Studies
The College of William and Mary in Virginia

In Partial Fulfillment
Of the Requirements for the Degree of
Master of Arts

by
Yujin Yaguchi
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APPROVAL SHEET

This thesis is submitted in partial fulfillment of
the requirements for the degree of

Master of Arts

Fujin Yaguchi

Approved, May 1991

Robert A. Gross

Tomoko Hamada
Department of Anthropology

Victor A. Liquori
Department of Sociology
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ABSTRACT

This research is based on a case study of a Japanese company in the United States. The study traces the change in the perceptions of the Japanese management through ethnographic information collected from interviews with the Japanese and Americans as well as from extensive observations of the company.

When the company began its operation three years ago, the Japanese management emphasized the importance of establishing a community model: the managers attempted to create a "family" atmosphere within the office.

However, the combination of various factors including growth in business, cultural difference, and the Japanese monopoly of power led to the erosion of the community model in the office. All these factors created a duality within the office incompatible with the community model.

As a result, after three years since the establishment of the company, the priority of the Japanese managers has shifted from a "family" model to an effort to control their American staff members through a "manual," which mechanically defines the content and methodology of each individual's job.
JAPANESE BUSINESS IN THE UNITED STATES:

UNINTENTIONAL DEFINITION OF THE OTHER
Chapter I

Introduction

The number of Japanese companies in the United States has grown rapidly in the past decade as direct investment from Japan has increased from $1.6 billion in 1980 to $22.3 billion in 1988. The increase in the manufacturing sector has been even more dramatic as investment has grown 23 times in eight years, or $0.4 billion to $9.1 billion (OECD 1989: 97). By deciding to establish transplants in the United States in order to cope with the increasing value of the yen and U.S.-Japan trade friction, large Japanese manufacturers lead this trend. In turn, the large Japanese manufacturers encourage smaller Japanese suppliers to establish their plants and offices in the United States. This influx of Japanese companies is likely to continue: one estimate reports that by the turn of the century, 850,000 to one million Americans will be employed by Japanese companies (Rehder 1990: 87).

The increase in Japanese companies in the United States has started to draw attention from scholars. Johnson and Ouchi, for example, conducted a case study in 1974 of Sony
Corporation in California and praised its management style for accomplishing successful plant productivity. However, recent assessments of Japanese firms in the United States have been more cautious. Kidahashi saw the presence of clear duality between the Japanese and Americans in a Japanese securities firm (1987). Other case studies also report the conflict of two cultures and nationalities within one organization. In his comprehensive assessment of Japanese transplants in the United States, Rehder says that the "honeymoon" is over and indicates a number of potential problems (1990). Popular magazines and newspaper articles have also begun pointing to the culture clash seen in U.S.-based Japanese firms.

The case study conducted in this paper is considerably smaller in scale than the other studies that have focused on large Japanese corporations. The subject of this study, Metric Tools International, Inc. (MTI), is a small, young company established in the United States in order to cater to a larger Japanese firm. Three-year-old MTI, a joint venture of large and small Japanese firms, is comprised of four Japanese managers and six American staff members. Unlike large corporations such as Sony, MTI's financial and human resources are limited. The management, with no assurance of success, is groping its way through many uncertainties in this foreign land.
My intention is not to draw any universal conclusion about Japanese firms in the United States from this case study of one small Japanese company. Rather, this study provides a view of the human interaction in a U.S.-based Japanese office between the Japanese and Americans, neither of whom has a profound understanding of their counterpart's culture. I have focused my attention on the perspectives of the Japanese because, as a Japanese student in American Studies who once worked with the other Japanese at MTI, I was more interested in their ideas and visions of America. From the ethnographic information I collected, I intend to demonstrate how the Japanese perceptions of America and Americans have shifted since the company's establishment.

To show this shift in perceptions, I will begin in the second chapter with a portrait of MTI as well as an explanation of the methodological background of this case study. Next, I have set up three ethnographically-based chapters in which I show the transition of the Japanese perspectives about America and its people since the establishment of the company three years ago. The third chapter describes the first phase of MTI from January 1989 to December of the same year when the Japanese gave priority to establishing a community model within the office. The fourth chapter describes the following year, January 1990 to December 1990, when events that undermined the concept of
the community model took place. The fifth chapter traces the company from January 1991 to the present during which time when the Japanese lost interest in the community model and a duality between the Japanese and Americans emerged. The final chapter contains a more open-ended analysis rather than a conclusive statement because the company's future operations are likely to continue to alter the Japanese view of America. I hope this case study will contribute to a better working relationship between the Japanese businesspeople in the United States and Americans employed by Japanese companies.
Chapter II

Portrait: Metric Tools International

II.I. The City: ¹

Metric Tools International, Inc. (MTI) is located in a rural midwestern city of approximately 30,000 people. The city has eight industrial parks, although dairy farms and corn fields surround its border. In fact, the city enjoys 16 industries that hire more than 150 employees each, distinguishing itself as one of the major industrial areas in the state. Two of the largest industries hire a total of more than 9,000 employees, attracting many workers from outside the city. As a result, an estimated 51% of the local population are blue collar workers.

In the 1980s, the city's two largest industries suffered a considerable decline in their business, resulting in a large number of layoffs. However, due to the efforts of city officials, the area has succeeded in luring 17 foreign corporations to establish their plants and offices in order to provide alternative jobs for displaced workers. Nine of the 17 corporations are Japanese (three distributors and six manufacturers), hiring a total of more than 1,100
employees. As the number of Japanese companies increases in the city, the Japanese population grows in proportion. The more than 300 Japanese people in the city qualifies them as one of the largest minority groups in an area where 98% of the population is white. The relationship between the Japanese and Americans has been generally amicable, according to the Japanese executives, their wives, and local city officials. However, some cases of racial harassment in the form of threatening phone calls have been reported.

Several factors influenced MTI to locate itself in this city. First, a Japanese transplant that would become MTI's largest customer was located in the area (the transplant's parent company in Japan has a very close tie with MTI's parent company). Second, a number of Japanese manufacturers that might require the service MTI could offer had their transplants in the region. Already, approximately 100 Japanese companies existed within the state. Lastly, as noted above, the local city officials campaigned to attract Japanese companies in order to better the area's sagging economy.

II. The Company:

MTI was incorporated as a joint-venture business in January of 1989 with three parent companies sharing its stock. Kogu Corporation, one of the largest tool
distributors in Japan, holds a 60% share of the stock. For
Kogu, which enjoys an annual sales exceeding $170 million in
Japan, MTI was its first international office to be
established. Another 30% share comes from Boeki
Corporation, a Japanese trading firm (sogo shosha), and the
remaining 10% is owned by its American subsidiary, Boeki
America, Inc. In contrast with Kogu, Boeki has over 150
overseas offices, and its annual revenue exceeds $105
billion. Boeki America, headquartered in New York City,
boasts sales of over $17 billion a year, making the company
one of the largest exporters in the United States.

The parent companies established MTI in the United
States in response to the growing needs among the Japanese
transplants for metric-size tools and "just-in-time"
service. The joint venture successfully wedded Kogu's
extensive knowledge in "just-in-time" service of precision
tools in Japan with Boeki and Boeki America's comprehensive
network of information about the transplants in the United
States that might require Japanese services and metric-size
tools.

In addition to the "just-in-time" service, MTI strongly
encourages a face-to-face business that includes daily
contacts with customers. The management repeatedly
emphasizes the quality of service based on the Japanese
method of establishing personal relationships with
customers. MTI sells primarily to Japanese transplants within 100 miles of the company. However, MTI is aggressively developing its customers to the east and south of the state. Several important customers are located as far away as North Carolina. Due to the continuing expansion of its business, the company has been successfully producing a profit every year since its establishment.

II.III. The People:

Three Japanese men and six local men and women are currently working at MTI. The management consists of only the Japanese men. Since the president resides in Japan and only visits the company a few times a year, Takeo "Tom" Yamano, the Executive Vice President, is largely in charge of the company. Now in his early forties and a graduate of a prestigious private university in Japan, Yamano has been working for Boeki for almost twenty years. Because he has had extensive overseas business experience not only in the United States but also in Europe, the Middle East, and Northern Africa, he speaks English comfortably. However, the assignment in the United States is his first long-term international mission. He has been in the United States for five years, including three years at MTI. Yamano is affable and energetic in his private life. He is simultaneously cautious and aggressive in business. At MTI, the American
staff members favor him for his friendliness: they call him "Tom," and under his influence, the Americans refer to all the Japanese by their English names.

The two other Japanese are Vice President (and also the Sales Manager), Yoshihiro "Josh" Takenaka, and supervisor in sales, Joji "George" Sonoda. Takenaka and Sonoda, both in their early thirties, graduated from regional colleges in western Japan and have been working for Kogu since their graduation. In Japan, Takenaka has been on the fastest promotion track to become a branch manager at the age of thirty-two. He is aggressive and at times emotional. He also takes good care of his Japanese subordinates by inviting them to his home when Kogu sends them to MTI. On the other hand, Sonoda, originally a salesperson at Kogu, is more subdued than the other two. However, he has such extensive knowledge about tools and machinery that not only the American staff but also Yamano and Takenaka rely upon him. Neither Takenaka nor Sonoda had previous business experience abroad, nor did they have a sufficient command of English to conduct business in the United States. However, their English has improved considerably in the past three years—enough to make the American staff insist that "there is no language problem anymore" at MTI.

The adjustment of Yamano, Takenaka, and Sonoda to the United States—people and business—will be discussed in
detail in later chapters. It should be noted that their adjustment to the life outside of business has been reasonably smooth. Their children and wives are enjoying new lives in the foreign land, although with some difficulties. After five to seven years at MTI, the parent companies will recall the Japanese at MTI and replace them by other Japanese managers.

The local American staff consists of three males and three females. Two of the men, Scott Smith and Carl Fischer, are salespeople, while the other man, Randy Brown, and three women, Marge Bird, Emily Baker, and Jen Heart, are engaged in general administrative and secretarial work in the office. Scott and Marge, now in their forties, have widely diverse job experience. Marge, who has been engaged in secretarial jobs most of her career, is a meticulous planner. Scott, who lived in Japan for two years after completing an undergraduate degree in business, is the only person at MTI with previous exposure to Japanese culture and with the ability to speak Japanese. Emily, the only non-native of the state, is in her late twenties. She quit college one year short of completing her B.A. degree in business and was working as a secretary before MTI hired her. The other three are in their early twenties. Jen is trying to complete her accounting degree at a local vocational school. Carl and Randy, both graduates of local
high schools, have little or no previous job experience. In addition to the nine members mentioned above, at least one Japanese from one of the parent companies is always helping to ease the heavy workload at MTI. Thus, in total, about ten people work in the office.

At MTI, none of the local staff has been fired. The American staff members generally favor the management. Most of them have no intention of quitting in the future. Rather, a few have expressed their wishes to work at MTI "until retirement." Consequently, the turn-over has been low: in the past three years, only one man has quit for a personal reason.

II.IV. A Typical Day at MTI:

A typical day begins at nine o'clock at MTI. Unlike its parent companies in Japan, no formal ceremony marks the beginning of the day. Rather, a rush of phone calls from the customers acts as a bell indicating the opening of a new day. Once the day begins, people in the office have little time to relax: they frequently receive phone calls and visitors and make a number of necessary calls. About half of the phone calls are from the Japanese engineers, while the other half are from American purchase agents and suppliers.

A day at MTI passes by quickly (despite a one-hour
lunch break); at 5:00 p.m., the Americans leave the office. Though the Japanese usually do not leave at 5:00 p.m., the atmosphere of the office becomes far more relaxed after the Americans leave. The workload remains heavy, but the Japanese in the office begin chatting and joking in Japanese. They can make all the phone calls in their native language, now that only the Japanese remain at the customer plants. After 6:00 p.m. when the office in Japan begins its day (8:00 a.m. Japan time), the Japanese are usually busy again obtaining information from Japan about necessary products. At the same time, they engage in personal conversation with their friends at parent companies, topics of which range from complaints about American staff to personal gossip to the results of professional baseball games in Japan. Not until after 8:00 p.m. do the Japanese start going home. It is not at all unusual to see them working until midnight.

II.V. Methodology:

For one year, I worked with the Japanese and American people at MTI. My encounter with MTI came about more by chance than by a deliberate choice. I was hired in April 1989, through a connection with Yamano, whom I knew from my college years. He needed someone who knew both English and Japanese to work for a tool distributor that was just being
established; he was going to assume the position of Executive Vice President of the new company. I accepted his offer and agreed to work for one year.

My access to a number of important documents that I translated into Japanese or English enabled me to learn quickly about the business as well as the history of MTI. Moreover, not only did I engage in interpretation/translation, but also I was involved in sales, import and export, and accounting. This variety of tasks allowed me to develop an in depth understanding of the comprehensive business operation at MTI. The small size of the company allowed me to have a wide range of responsibilities. Moreover, the size of the company was instrumental in my nurturing a close relationship with Americans and, especially, with the other Japanese in the office. I worked hard; rarely, if ever, did I leave the office at five o'clock. As a result, people at MTI accepted me as an "insider." I went on business trips with my superiors. They entrusted me with some important telephone calls to represent MTI. I had my company jacket, cap, and namecard. Occasionally, the Japanese even asked my opinions, as a member of MTI, to make decisions. And after a long day of work, my Japanese superiors often invited me for dinner at their homes, and we talked until late into the night over drinks.
At the same time, however, a realization that my contract lasted for only a year limited my empathy with the company; I was not a permanent insider at MTI. Neither did I belong to any of the parent companies. Naturally, I could not share the corporate alliances the other Japanese in the office had. This realization enabled me to step back and view the company from a more detached, outsider's perspective. In this way, my position allowed me to view the company from inside with an outsider's perspective—being an "observant-participator."

This "observant-participator" status lasted from April 1989 until April 1990 (from the middle of phase one through two). I collected the information about MTI prior to my arrival through interviews, brochures, and documents available at the office. As for the period after my departure, I returned to MTI three times for a total of 12 days. During those times, I again sat in the office to observe the differences from and similarities to the time I worked at MTI. I also conducted a series of interviews with all the personnel. I had interviews with the American staff members during office hours in a conference room. Thanks to Yamano, who encouraged the Americans to express their candid opinions to me by assuring the confidentiality of their responses, I believe I could obtain reasonably honest viewpoints. Each interview lasted for forty-five minutes to
one hour. I interviewed some employees as many as three times. The Japanese were willing to be interviewed—both in the office during the weekdays and at their homes during the weekends. Each interview lasted more than one and a half to two hours. I interviewed all three Japanese, Yamano, Takenaka and Sonoda, three times. In addition, in order to have some reference points, I interviewed several other people outside of MTI, such as a director at the local Chamber of Commerce, a Japanese executive of another local Japanese manufacturing company, and the wives of Japanese businessmen in the city. Only a few interviews were tape recorded because I feared the presence of the recorder might prevent candid answers. Therefore, although I took extensive notes to retain as much information as possible, the words transcribed in this paper were not recorded verbatim. In addition, since all the interviews with the Japanese were conducted in Japanese, they have been translated into English.
Chapter III

Phase One

The 500-square-foot temporary MTI office was crowded with four Japanese and two Americans, piles of tool catalogs, fax and telex machines, a copier, and six desks upon which the people stacked purchase orders, invoices, quotations, and telephone memos. All but two desks faced the same direction towards a large window at the front. Yamano, E.V.P., sat at the corner of the office facing the back of Takenaka, V.P., who faced the back of Scott, a salesperson. Marge sat across from Scott, also facing the window. The two Japanese, Sonoda and I, however, sat at the back of the office facing each other (Figure 1).

MTI's office style was unusual because it fit neither of the characteristic American or Japanese styles. It differed from the usual American layout where managers often enjoyed the privilege of retreating to their own offices while the staff members enjoyed privacy by having partitions surrounding their desks. It also differed from the usual open office style of Japanese companies, where people faced each other, and the manager sat at the top end of the line.
Figure 1: Temporary Office
of desks (Yoshino 1986: 176, Nevins 1988: 128). The Japanese at MTI had come from an environment in which they faced their colleagues across their desks while they could bump those sitting next to them with their elbows.

At MTI, the four people looking towards the window had no one facing or sitting beside them. Unless they attempted to peer at others' desks, they could not tell what their colleagues were doing. No partitions existed, but the order of the desks created an invisible partition that provided people with privacy. At the same time, however, absence of partitions allowed people to easily see and hear even the small incidents that took place in the office. Not only was this lack of visible boundaries important for the Japanese managers to supervise the American staff, but it was also necessary to enhance a sense of camaraderie between the two groups by facilitating better communication: one only needed to turn around to get some assistance or share information. Meanwhile, Sonoda and I sat in the back facing each other, in a purely Japanese style. Neither of us disliked this arrangement, nor regarded it as strange, although Marge once commented she would not like her desk facing someone else's.

The office layout at MTI presented a hybrid of commonly observed Japanese and American systems with an emphasis on the Japanese style: it retained the open office style without partitions as well as some desks facing each other,
thus suggesting the influence of the all-Japanese management. Significantly, even from the beginning, the Japanese management had altered the basic physical structure of the Japanese open office style to allow for a wider physical distance between the individuals in the office.

However, this initial alteration of the typical Japanese style appeared not so much as a result of the management's conscious effort to distance itself from the American employees as a simple copy of the style practiced at the headquarters of Boeki America. Far from creating an emotional and social gap between the Japanese and Americans, the management at MTI took the utmost care to create a harmonious relationship by establishing a sense of community or "family," as the management and staff called it, within the office. The Japanese firmly believed that MTI could not succeed without cooperation. Yamano, who used to be involved in plant exports, said from his personal experience, "No one person could win a contract for building a $100 million factory. We [at Boeki] needed a collective effort." For him, the tool and machinery business did not differ in that sense. Takenaka, originally a salesman at Kogu, convinced Scott of the impracticality of commission as a part of the wage system by showing how many people took part in one sale at MTI: Scott sold, Sonoda provided him with supplier information, and I issued an invoice to
collect the money. In short, the management emphasized and valued collaboration, rather than competition.

Encouraged by this kind of atmosphere, Marge occasionally bought doughnuts at the company's expense which all the members enjoyed with free drinks. The Japanese and Americans jocundly teased each other about "getting fat" from eating the sweets. Sonoda and Scott made road trips for sales calls, and Scott, a native of the state, often took Sonoda through the back roads to show him the rural country scenes of the American midwest. Moreover, the management attentively listened to the opinions of the American staff members. Many times they praised the management for its "accessibility" and "not yelling" even when the staff made mistakes. The Japanese suppressed their occasional resentments when the Americans did not match their expectations in order to nurture a close "family" relationship in the office.

The Japanese at MTI kept the tie among themselves even stronger than their tie with the Americans. Takenaka and I often played catch behind the office building. Several times, the Japanese left the office at five o'clock to play a half round of golf together (though they usually returned to work after sunset). After a long day of work, just like they used to do in Japan, the Japanese at MTI often ate and drank together to relieve the stress from the work and
engage in a relaxed conversation at one of the managers' homes.

The decision-making process of the Japanese revealed the harmony even more strikingly. Although the Japanese managers heeded and incorporated the American staff members' opinions, the management held the occasional managerial meetings after the staff left at 5:00 p.m. The Japanese at MTI reached decisions consensually and cooperatively with a strong team spirit. They had active discussions, but they rarely, if ever, disagreed with each other strongly. Not only did the Japanese seek consensus among themselves, but also they considered a consensus with the parent companies crucial. The parent companies cast a strong influence upon MTI; never a weekday passed without the Japanese at MTI calling or faxing to Kogu or Boeki in order to exchange information with their colleagues and superiors.

This emphasis on "family" was a straightforward importation of a Japanese cultural assumption to the United States. Research supports that the Japanese companies prefer cooperation to competition within the company (Pascale & Athos 1981: 119). Typically, management regards the corporate organization and its employees as a community or a family in which people share common organizational goals and cultural values (Morita 1986: 130). Therefore, the management's main concern is to maintain the group's
harmony (Pascal & Athos 1981: 126). Thus the management gives meticulous attention to individuals to ensure their well-being; each individual is the basis of the company as a community model. The creation of the "family" atmosphere at MTI was a case in which the Japanese consciously attempted to implant their cultural assumption in American soil.

While the transplantation of the Japanese assumption about valuing "family" was quite successful at MTI, another assumption the management attempted to apply was less so. In Japan, the relationship between the customer and supplier is closely intertwined in such a way that makes them dependent upon each other. It creates a solid production chain in which a customer and supplier both work closely on various issues such as the quick and efficient delivery system of Just-In-Time. Through close and long relationships that often include the holding of one another's stock, companies "develop a sense of shared destiny" (Dertouzos 1989: 181).

MTI completely failed to develop a sense of "shared destiny" with its American suppliers, despite its attempt to establish relationships with them. The contacts with American suppliers to request quotations turned out to be difficult, not so much because of the language problem (Scott called often), but because of the prevalence of what the Japanese called "double-tongued" suppliers. Often the
Japanese managers found a discrepancy between the actual price and the quoted price. Worse, the routine discrepancy between the actual delivery date and quoted date turned out to be disastrous and embarrassing for MTI, as the gap in turn delayed the company's delivery to customers and betrayed the "just-in-time" motto. Long delivery time often unexpectedly forced MTI to resort to an expensive way of importing goods from its parent company in Japan.

This lesson resulted in a feeling among the Japanese to "Never trust American suppliers." Scott shared this feeling because he made a number of contacts on behalf of the Japanese for quotations or order status. A phrase, "because they are Americans [they lie]," became common in the office to describe the failures of American suppliers. The Japanese pointed out every mistake among themselves in the office with the remark, "Are you an American?" which was an insult for them. When the American suppliers did perform well, they shared surprised feelings such as, "They do well for Americans!" The failure of American suppliers to satisfy the Japanese contributed to the formation of a sense of superiority to American business, a sense they had only heard and read about while they lived in Japan.

While the Japanese scoffed at American suppliers for their inefficiency, they prided themselves in sharing a sense of "destiny" with their customers that enabled them to
provide the best services. Such services included quick delivery—a delivery even before the issuance of a formal purchase order. Requests for tools and machinery at customer plants were usually given to MTI salespeople by the Japanese supervising engineers who would then turn in their acquisition requests to the purchasing department. However, because of the extensive time required to process paperwork, the customers provided MTI with a written purchase order and its number only after a considerable lapse of time. Since the Japanese engineers wanted the goods as soon as possible, the Japanese at MTI opted to supply the requested goods, even without a purchase order number, to abide by their motto, "just-in-time," and to satisfy their Japanese customers. After all, Kogu's customers accepted such a practice in Japan.

However, this service boasted by the Japanese triggered a major controversy that ultimately forced them to drop their "flexibility." The purchasing and receiving departments, which consisted of American managers and staff, would not accept any goods without a purchase order number. MTI's ignoring of their policy created such considerable confusion among the American-managed accounts payable office at the customer plants that they threatened to refuse all payments and to sever their relationship with MTI.

At this moment, MTI could do nothing but to observe the
instructions given by the Americans. No matter how
customer-oriented MTI might have been, no money meant no
business. Its policy not to deliver without a proper
purchase order number outraged the Japanese engineers (who
had nothing to do with the American-managed accounting
office) at the transplants. MTI's Japanese managers and the
engineers held a number of meetings in which the latter
accused the former of "Americanizing," just like the
Japanese management at MTI accused its American suppliers'
lack of service spirit. Even though the "American" way
could mean a delay in the delivery, the very betrayal of
their proud motto of "just-in-time," MTI had to stand firm
on adhering to the "American" way because its implementation
could affect the survival of the company.

Thus, in the first year of its operation the Japanese
management at MTI adhered to cultural assumptions they had
brought from Japan. Some assumptions seemed to apply
equally well in the United States as they did in Japan. The
most notable was the value of "family" atmosphere that made,
as Yamano said, "people want to come to the office every
morning." Even though the management arranged a wider
physical distance than its Japanese counterparts, emotional
and social distance among not only the Japanese but also the
American staff remained close. On the other hand, the
Japanese found out that not all Japanese assumptions fit
well in the United States. Business based on the tight-knit, "destiny sharing" production chain was impossible in the United States because the suppliers could not cooperate with the concept of "just-in-time" service and customers required an indication of contractual agreement for every business transaction. The Japanese management felt frustrated with the difference. The Japanese managers depressurized their frustration with suppliers by routinely degrading them verbally in their conversation and confirming their own superiority. However, the problem with the customers provided them with no option but to adapt to the system in the United States in order for their business to survive.
Chapter IV

Phase Two

On a freezing day in December of 1989, while the American staff members were enjoying their holiday break, eight Japanese men sent by Kogu transferred everything from the crowded temporary office to a brand new 14,000-square-foot building that was just completed in an industrial park, about six miles away. The new building had an office space of 4,000-square-feet with the remainder of the space serving as a warehouse. In anticipation of a future increase in personnel, the management at MTI decided to purchase six additional desks to bring the total number of desks in the new office to twelve.

The Japanese at MTI laid out the office arrangement in advance using a cardboard model. They decided that the open-style office would be continued; only the president's office was kept separate. The president's room was a luxurious space with a plush carpet, a $1,600 oak desk, a fancy clock, and two large windows, but it remained unoccupied. This room stood as a constant reminder that the president of MTI lived in Japan: he was, first, the
president of Kogu, then he was the president of MTI. In other words, he who lived in Japan had the final control of the company.

Neither Yamanaka or Takenaka had any intention of retreating into their personal offices. They insisted on remaining in the open-style office because they were used to such an environment in Japan, after having worked over 19 and 10 years respectively for the parent companies. For them, a personal office did not symbolize prestige, but isolation, loneliness, and lack of supervision of others in the office. A personal office prevented developing a camaraderie which they believed was essential to the "family" atmosphere. In a sense, the Japanese at MTI preferred to have a relationship that was not "'dry', cool, and calculated, but 'wet' with human emotion" (Vogel 1979: 152).

Yamano instructed me to make a model of the office according to some criteria he had defined. First, everyone would be in the same room except for the receptionist. Second, additional file cabinets would be given to everyone, thus providing each with a spacious work area of a 2'7" x 5' desk and a 4'2" x 1' L-shape attachment. Yamano wanted to make the best use of the large office space; therefore, people were not to sit facing each other. The office layout provided everyone with her/his corner encompassed by a
vertical attachment, a desk, an aisle, and a desk behind. Carefully, I created an office plan (Figure 2).

The arrangement of the non-facing desk order was a continuation of the previous office style. This time, however, the style became consistent: no one faced each other at all. The Japanese management completed the revision of its assumption on the physical structure of the office by providing a small alcove that gave everyone a greater space to work. Unlike the Japanese style, in which the managers have bigger desks, the area at MTI was large enough to allow the same amount of space for everyone. Consequently, the Japanese and Americans had more privacy than in a typical office style in which people could catch a glimpse of what others had in their drawers.

At the same time, however, a strong Japanese influence prevailed. The supervision remained strong. Since Yamano wanted to sit at a desk from which he could oversee the entire operation, he sat at the lower-left hand corner. Takenaka wanted to sandwich Scott in between himself and Sonoda in order to "watch" what Scott did in sales. In addition, Takenaka implemented a policy practiced in the parent company which required people to clean off their desks completely everyday before they left; they had to go through everything on their desks in order to remind themselves how much work remained. Above all, management at
Figure 2: New Office (Arrangement as of April, 1991)
MTI not only refused personal office space but also partitions. The absence of partitions continued to facilitate occasional casual conversations and jokes which brought laughter and, importantly, a sense of friendship, or "family," in a tangible way.

Even with greater physical distance among employees, the sense of family remained strong, thanks to the conscious efforts not only by the Japanese but also by the American staff. By helping the Japanese managers in a strange land, Marge and Scott developed a feeling that they "helped to set up MTI." "MTI is part of me," said Marge.

Curiously, MTI's new location in an industrial park helped nurture a further sense of a cozy "family" atmosphere. After the move, the Japanese did not have enough time to drive into town to have lunch like they often did in the temporary office. Consequently, people at MTI started eating together in the kitchen. One person, either a young Japanese helper from Kogu or I, would take an order and go purchase lunch for everyone. Then people sat around a small dining table and had Wendy's hamburgers, chili, and fries. On other occasions, the Japanese brought in and cooked rice and noodles ("udon") in the kitchen. When Japanese noodles were made, Marge and Scott willingly tried them, much to the amazement and excitement of the Japanese.

Eating is a curious habit; it binds people. In Japan,
the Japanese go out to eat and drink together after work to share their feelings, opinions, and reinforce their ties as members of the same corporate organization as well as to heal the "on-the-job psychic injuries" (Pascal & Athos 1981: 127). This relaxed socialization functions as a "safety-valve in the Japanese management" to depressurize the need for competition and individualism (Chang 1982: 87). True, lunch at MTI differed from after-work eating and drinking; no one drank alcohol, and language always caused a problem when it came to topics unrelated to tools and machinery. Nevertheless, the simple act of eating lunch together enhanced the sense of MTI as one "family" entity where "everyone liked each other."

Between the kitchen and office at MTI, there was a space called "computer corner." The move to the new office initiated the full implementation of a computer system at MTI. The introduction of a computer system resulted from a careful decision by the management, despite an unusual opposition expressed by some members of Boeki in Japan. Those who expressed strong hesitation to computerization reasoned that the time was "premature" to make such a major investment. However, the management at MTI finally convinced them by indicating that "the majority of respectable companies in America" were computerized. As a result, MTI purchased a networked computer system with three stations.
Unexpectedly for the management, this introduction of new technology posed a challenging operational problem to the Japanese. For the first time it became necessary to make clear distinctions between individual job responsibilities in order to assure the input of accurate information to the computer. Information had to be keyed in collectively and systematically in order to avoid duplicate or loss of information. For example, someone had to become exclusively responsible for keying in information about the receipts of goods while another had to be responsible for the receipts of invoices. In addition, it was necessary to have someone oversee the entire operation to ensure the accuracy of information before it was posted everyday.

At this moment, MTI had only seven people; it was impossible to have a purchasing department, a receiving department, an accounting department, etc. Yamano had stressed that in a small operation like MTI, "things had to be worked at collectively and responsibly." True, there had been some distinct divisions of labor. For example, Marge oversaw expenses, and I took care of all the translation and interpretation jobs. Overall, the distinctions among the individuals' jobs had been blurred. With the beginning of full operation of the computer system, however, the Japanese managers made the distinctions, for the first time, that I would be in charge of the receiving, Marge would issue the
checks, and the helper from Japan, Matsuda, would take care of purchase orders.

The emergence of these distinctions in jobs challenged cultural assumptions held by the Japanese at MTI. Clear "job description" does not exist in Japan. Although companies in Japan have a formal structure based on the specialty of each section (in the case of Boeki, based on the geography and products), each individual's job under the section chief is hardly defined (Yoshino 1986: 106). If Japanese companies provide written job descriptions at all, they give them to the section, and only in an extremely broad way (Yoshino 1986: 113). Within the section, therefore, people are generalists who are capable of managing a variety of tasks. The Japanese companies prefer such generalists to specialists (Morita 1986: 184). Naturally, as seen in phase one, the Japanese at MTI had long resisted the idea of job descriptions by pointing out that no one job could be completed by one specialist; hence, a clear-cut job definition was not feasible and was unnecessary.

Nevertheless, in response to the introduction of a computer system, the task of creating job descriptions appeared unavoidable. Although at this stage the Japanese managers at MTI made informal, verbal distinctions ("Can you do this?"; "I think so."), they felt that more comprehensive
job descriptions might be necessary in the future as the volume in business expanded.

During the second year, the effort by the Japanese at MTI to retain their cultural value of "family" continued. As a result, they maintained a close social and emotional relationship with each other. However, the introduction of a computer system and the subsequent emergence of job descriptions portended the widening of such distances by the creation of boundaries of responsibility around each individual. Despite a strong faith in the maintenance of a "family" atmosphere, the proximity of emotional and social distance would soon start coming apart in proportion to the wider physical distance of the new office. At that time, the Japanese at MTI were left with a deep sense of frustration because they were at a loss how to efficiently and effectively delegate the responsibilities to the staff. That is, coming from a culture where "job descriptions" did not exist, they could not provide proper job descriptions for their American staff members.

The sense of frustration over the difficulty in providing job descriptions continued to accumulate until it brought an outburst of emotion. The specific incident signaling the extent of the frustration occurred during the physical inventory count at the end of the second year, on December 22, 1990, almost a year after MTI had moved into the new building.
On that cold winter day, the lights at MTI were turned on at 6:45 a.m. By 7:00 a.m., two hours before regular office hours, all the Japanese and Americans were present. Normal operation had been shut down the day before, and the 22nd, the last business day of the year for MTI, was reserved for the warehouse inventory count.

MTI had an inventory of $800,000 with over 1,000 different items ranging from drill blades to rulers to industrial brushes. Despite the early start, the Japanese managers had predicted that the counting would not be finished until after sunset. Yamano and Takenaka "ordered" the staff to abide by Muto's instructions for that day's work. (Muto was a temporary helper from Japan who was about to return after a three-month mission.) He assigned everyone a section to count and the work began in the chilly warehouse.

Sometime between 9:00 and 10:00 a.m., Marge decided to go to the kitchen to have a cup of coffee. Almost at the same time, Scott left the warehouse to get a can of soda. Meanwhile, telephones rang frequently in the office with calls from several Japanese plants that were still in operation on that day. Sonoda, Muto, and Yamano left the warehouse to take the calls. Since some people had called for Scott, Emily, who was taking the phone calls that day,
left the office to hand him the messages and found both Marge and him in the kitchen. They started to chat, just as they often did on other days.

Jen had just started working for MTI to alleviate the heavy workload of Marge and Emily. Not familiar with the procedure of counting, she asked Takenaka a question. Not knowing the others had left the warehouse and wondering why she came all the way to ask him a question, Takenaka asked, "Why don't you ask your partner [Marge]?

Jen replied, innocently, "Oh, I think she's taking a break."

Takenaka looked around him, only to realize that he and Jen were the only people in the chilly warehouse struggling with counting the tools. He immediately went to the main building where he spotted the three American staff members in the kitchen. But first, he approached Muto, who had just been on the phone, and asked, "Did you tell them to take a break?" "No," said Muto. Then Takenaka turned around and strode into the kitchen. He was infuriated. For the first time in the two years since he had come to MTI, he yelled: "WHO SAID YOU CAN TAKE BREAK! GO BACK TO WAREHOUSE!"

A moment of silence prevailed. Scott, Marge, and Emily stood stunned. They had never been yelled at, even when they had committed disastrous mistakes (such as Scott having $1,500 in tools stolen from the unlocked delivery vehicle). Yamano came running from the office to find out what had
happened. Finally, Scott mumbled in Japanese, "I'm sorry." Then he returned to the warehouse. In his mind, however, he angrily thought, "He didn't have to yell! If this is that important of a job, he should have told us!" Marge felt furious. Although she refrained from talking back, in her mind she repeated, "This wasn't really a break! Don't we always come in to the kitchen for coffee? He had no right to yell!" She later refused to take a break when Muto formally declared one. Emily was more astonished than angry. She had thought that Japanese people never yell since they disliked conflict.

The interesting aspect of this incident is how the Japanese and Americans perceived the reason for Takenaka's sudden and uncommon outburst of anger. The American staff members seemed oblivious to the instruction given by the management to follow Muto's orders. In the later interviews, they never mentioned about their responsibility to abide by Muto's orders on that day. Rather, they attributed the incident to an aberration, based on a particular mood of Takenaka on that day. "He must have gotten up on the wrong side of the bed," they said. The staff members felt the anger was not their fault, and instead blamedTakenaka's caprice.

On the other hand, in Japan any strong expression of
one's emotion in an office is a rarity. Rohlen, in his study of a Japanese Bank, found that "an outburst of anger...receives immediate notice and often leads to interpersonal problems that take a long time to resolve" (1974: 97). Such problems are nothing but detrimental for the Japanese, whose primary interest is to keep a sense of harmony ("family") within any organization. Thus, Takenaka's anger cannot be attributed to a simple mood. Rather, Takenaka and the other Japanese at MTI justified his outrage by claiming that the Americans failed to follow the instruction given by the management to follow Muto's orders on that day. Takenaka became infuriated not so much because the Americans took a respite from work, but because the Americans neglected the order to follow Muto's instructions. The anger over the staff members' negligence to perform the assignment was combined with the pressure to complete the long and tedious physical inventory count within one day until the frustration could not have been repressed anymore.

This incident represents a crisis of appropriate leadership by the Japanese management. The management lacked an effective strategy for communicating with the American staff about even a simple assignment for a day's activity, let alone any job descriptions that covered the staff's everyday activity.
Chapter V

Phase Three

The Japanese at MTI never discussed the unpleasant December incident. Nevertheless, they sensed the necessity of "job descriptions." Since they had no experience in writing job descriptions, Yamano came up with the novel idea of asking the staff members to define their own job descriptions.

The result was a two-page "Position Description Questionnaire," that Yamano made during the long holiday vacation after the December incident. On the first page, he defined the purpose of this questionnaire as "to assign a proper [i.e. particular] person to a proper job and responsibility." Then he asked three questions. In the first question, "Position Responsibilities Summary," he asked the staff members to "describe the basic function(s) or purpose" of their positions. Next he requested them to describe their "Principal Duties" in the order of importance. The last question asked them to "identify" their "knowledge and skills" that may be useful for their jobs at MTI.
The questionnaire was a strange, if not bizarre, approach to provide the staff with clear job descriptions: Why should the management ask the staff to define their responsibilities? Why should the management, after hiring the staff, feel the need to assign them to "proper" jobs? This approach taken by Yamano inverted the normal hiring procedure in the United States in which the employers hire people to fill in the open "slots." It reflected a confusion of the Japanese management in their attempt to create job descriptions, something "American" they had never seen or made, which had not been given to the staff members upon their employment.

The Japanese assumption that ambiguous job descriptions for each individual would maintain a generalist attitude was deeply ingrained in the managers' minds. Therefore, they failed to provide any concrete job descriptions by utilizing the questionnaire, much to the disappointment of the American staff members who responded to the questionnaire hoping to have their jobs defined clearly. "I don't know what happened, but it must have drifted away," shrugged Emily, while Yamano quietly confessed, "It is so difficult to accommodate what they want to do."

Soon after giving out the questionnaire, the Japanese decided to hire two more men, Randy and Carl. Because the Japanese and Scott sold aggressively, this addition came
concomitant with a continued increase in MTI's business volume. The management hired Randy and Carl because they were both young and inexperienced. Like its parent companies in Japan, MTI preferred someone whom it could mold over someone who had had considerable experience in other American companies. In the same month, Kogu sent another Japanese man, Hayashi, to replace Muto. Unlike Muto, Hayashi's mission was potentially long-term because he was to become a manager of sales administration (if he could obtain a working visa). The work volume of sales administration had been increasing dramatically at MTI without direction from any experienced Japanese manager.

Ironically, the increase in the number of personnel did not lighten the burden of others. Rather, their presence created further confusion among the American staff members because of the lack of individual job description and training. The management "experimentally" assigned Carl to sales and Randy to sales administrative work, after hiring them without "job descriptions." However, their assignments did not go beyond these generic categories. Consequently, to the eyes of the other Americans, Randy and Carl "were thrown in without explanation or overseeing" of their jobs.

The older staff members believed that because of Randy and Carl's age and lack of experience, the management should give the two more detailed instructions about their jobs.
Scott, who had lived in Japan long enough to familiarize himself with the Japanese culture and custom, was for a long time carefree about the necessity for specific job descriptions and was a believer in on-the-job-training (OJT). However, he came to feel the necessity of more specific assignments and training because the new employees were "not aggressive enough to look for their own jobs" like the more experienced staff had been left to do. Unlike the Japanese, the older staff members considered Randy and Carl's lack of experience a disadvantage that created the absolute necessity of providing them with concrete assignments and training.

The arrival of Hayashi brought further chaos to the understanding of job descriptions. His future title, the manager of sales administration, demanded that he learn every job performed by the sales administrative staff. For a long time, however, the management did not make it clear that Hayashi would become the "boss" of the sales administrative staff in the future. Consequently, the staff members were perplexed with this man "who tried to do everything." Marge, who had worked the longest at MTI among the administrative staff, felt "a power problem" when Hayashi, a temporary helper in her mind, gave her an order to report all the problems to him, rather than to Yamano. (Yamano, who wished to keep his accessibility, later
overruled Hayashi's order.) Rather than considering Hayashi as a future "boss," all the American staff regarded him as an accountant from the accounting department of Kogu. In actuality, however, he had never belonged to the accounting department at Kogu. Rather, he "disliked" accounting and wanted to "stay away from it as much as possible." His responsibility, according to Takenaka, covered overseeing the entire sales administrative work and "accounting was [only] a part of it." Once again, this misunderstanding over the role of Hayashi was a case of ineffective communication regarding the responsibility of each individual.

The management sensed the confusion in the lowered morale of the staff. On behalf of other staff members, Marge talked with Yamano to express her concern over the problems: the management was not giving Randy and Carl proper assignments and training and Hayashi was acting like a boss. Marge thought Yamano had to be informed because he had "no idea how disastrous" the situation was. The crisis of leadership, the management's inability to communicate the basic messages that once manifested in Takenaka's yelling incident, had not improved. The situation continued to deteriorate. As a result, in the face of this chaos, the Japanese began expressing a need for a comprehensive "manual" that would not only include clear job descriptions but also how the jobs should be performed.
This need for the creation of a "manual" was the first open acknowledgement by the Japanese of the need to streamline the structure of MTI and to create formal job definitions and methods of training. They felt it necessary to start carefully supervising and controlling the activities of the Americans by defining their positions clearly and assigning them to particular slots. However, like "job description," "manual" remained a foreign concept to the Japanese. They continued to use the English term "manual" (pronounced ma-nu-a-ru) in their conversation; they had no equivalent word in Japanese. Through OJT, rotation of jobs, and a strong commitment to the company (rather than to one's own work), the Japanese had been working without any "manual." Sonoda, who holds an undergraduate degree in Law, remembered how he was "thrown into" sales calls without much knowledge of tools or "how-to" in sales. The customers became frustrated and yelled at him, which in turn forced him to learn more about tools. Through trial-and-error on the job, he had gained a comprehensive knowledge of tools and machinery including the ability to discern the needs of the customers from rough sketches completed by the engineers. Likewise, Yamano, who represents Boeki--one of the largest companies in the world, had never worked with a "manual." Yamano, who majored in Spanish, had been involved in plant exports to various countries. He learned the
extensive knowledge of "how-to" in plant export, an incredibly complex job differing from country to country and from one kind of plant to another, through on-the-job experience and training. Considering these experiences of the Japanese, it may be said that a practical reason prevented the Japanese from making a "manual": they did not know how to make it because they did not have a concrete understanding of what a "manual" really was. In other words, they did not have a manual for making a "manual."

Another reason seems to have prevented the management from making a "manual." Inherent in the minds of the Japanese at MTI was a scepticism that if they delineated each staff member's realm of responsibility, she or he would not go beyond that prescription. Coming from a culture that valued generalists, the Japanese managers could not satisfy themselves with specialists. They were already seeing the disturbing result of specialization of work among the suppliers. Aside from the fact that the suppliers were not trustworthy (one of the first things the Japanese learned early in their first year of business), the Japanese always felt frustrated because the suppliers usually assigned only one sales representative to MTI and no one else could follow-up the person's job. "'I don't know' is a typical American stuff," griped Sonoda, "In Japan, 'I don't know' is not acceptable. If you belong to the same company, you should be able to take care of others' jobs."
Although the Japanese regarded the staff at MTI as "better than normal Americans," they feared that a "manual" could cause the same phenomenon among the staff: they would cease to work when they had fulfilled their stated job. This was far from acceptable for the management. Moreover, if the management described every aspect of the job, the staff would not be able to cope with exceptions, which the Japanese considered a "specialty" at MTI. As indicated in phase one (chapter III), a close cooperation ("destiny sharing") between the Japanese supplier and customer is considered a unique strength that brings success to Japanese companies. Not surprisingly, at MTI, the Japanese emphasized such an unusual cooperation, even though the requirement by the customers to follow formal paperwork often trapped the Japanese. They took pride in their "flexibility" which was synonymous with satisfying exceptional requests by the customers. When Sonoda received phone calls at home on Saturday or Sunday from a customer asking for tools, he would try to deliver them. The Japanese wondered whether, after making a "manual," the American staff would become less flexible and more specialized, an idea that disturbed them, to say the least.

In this way, while feeling the need to create a "manual" in the face of confusion among the American staff, the Japanese remained helplessly frustrated in their
inability and hesitation to create a "manual." Grudgingly, the Japanese who felt triumphant over American business admitted that they were "way behind" in their "technology of making a manual." They resented the fact that they had to create a "manual." After all, it was something "unnecessary" by Japanese standards. And if anything of the sort was made in Japan at all, the managers would only have needed to affix their seals as an affirmation, after the diligent and capable subordinates created everything (Nakane 1970: 69). On the contrary, the Japanese at MTI had to try to create a "manual" for their subordinate American staff members. In a sense, then, by Japanese standards, the management at MTI did not have "subordinates."

The Japanese frustration that triggered an outburst of anger began to reveal itself, once again, but this time gradually in the management's loss of enthusiasm to retain the "family" atmosphere. The Japanese who had carefully and consciously created the "family" at MTI began to doubt its value and meaning. The management attributed its inability to communicate with and control the staff effectively to the freedom the staff was enjoying. The Japanese began suspecting they had been too tolerant. They feared that they had "indulged" the Americans so much that the staff members regarded the management as "soft." "We must tighten up the control where it's necessary," said Yamano.
Disintegration of the faith in "family" began to show itself in the kitchen. The place of conversation, laughter, and friendship at the lunch table started to change. Takenaka suggested that everyone take lunch at his or her own discretion, not altogether. This was overruled by Yamano, who was most responsible for creating the sense of "family." However, Yamano himself began going home at lunch hour, Sonoda was often out on business calls, and Takenaka often brought his own lunch. The kitchen lost its joviality. People ate quietly and returned quickly to their desks—to their alcoves. No one cooked in the kitchen anymore. There were no more doughnuts. Drinks, which were always free, became 25¢.

The generally amicable relationship between the Japanese and Americans remained the same on the surface. There was occasional laughter and excitement in the office. Once, Marge brought a cake for Hayashi's birthday. But the ambience was quiet and less empathic than Yamano's birthday party two years before when everyone eagerly joined in hilarity to celebrate the day with crackers, presents, and a cake.

A series of crises that challenged the basic cultural assumptions of the Japanese characterized the third phase of MTI. The management came to realize that a "manual," a comprehensive document encompassing job descriptions and
training methods, needed to be created. But this realization did not make the process of creating a "manual" a smooth one. While the Japanese felt the necessity of controlling the American staff members to avoid confusion by creating a "manual," which they did not know how to create, they feared the control would deprive the staff members of any potential to become generalists. In other words, while the Japanese at MTI keenly wished to create a "manual" because they felt the staff members were left too "free" and needed to be controlled, the managers possessed strong qualms about specifying the jobs too much because that might deprive their subordinates of the freedom to venture into unspecified job responsibilities. This vertiginous way of thinking was never resolved in phase three. Though the Japanese had determined to "do something" about the situation, they had not yet learned what to do.
In less than three years, the priority of the Japanese managers at MTI has shifted from establishing a "family" atmosphere in the office to creating a "manual," although they are still ambivalent about its value because they believe in the idea of a company "family" comprised of generalists. For the Japanese management, "family" and "manual" are not compatible concepts. Therefore, the effort of the Japanese to create a harmonious office under a people-oriented management has been superseded by an effort to establish a more mechanical and hierarchical relationship between the Japanese and Americans by assigning each individual staff member to a particular slot.

There are three main reasons why a "manual" became necessary at MTI. First, the rapid growth of business that necessitated the introduction of a computer system and increase in personnel made some distinctions of responsibilities among the individuals inevitable. Consequently, the Japanese divided the company into sales and sales administration divisions.
Second, despite this general distinction made by the Japanese management, the Americans at MTI were used to working with more specific assignments from their previous jobs, rather than working as generalists within a broader category. For example, Marge had been working in an American company where everyone specialized in a particular job and did not share their jobs with the others in the office because "if others could do your job, you could easily be replaced." The American staff at MTI was accustomed to Tayloristic "scientific management" where employees were classified and tabulated under "rules, laws, and formula" (Taylor 1911: 36).

Third, the Americans wanted to ascertain their significance in the office through clear definitions of their positions as described in a "manual." The American staff members felt uncomfortable because the Japanese management monopolized all the power in the office—a kind of power in a corporate organization that "allows people to get things done, to mobilize resources, to get and use whatever it is that a person needs for the goals he or she is attempting to make" (Kanter 1977: 166). Consequently, the Americans who were "powerless inside an authority structure" became "rules minded in response to the limited options for power in their situation" (Kanter 1977: 192). The staff members needed "rules" that they could refer to in order to assure their roles in the office.
The Japanese monopolized the "power" at MTI not only by assigning every American to the staff level and keeping the management homogeneous, but also by taking advantage of their affiliation with the parent companies and their language skill. As in most other Japanese multinational firms, MTI's tie with its parent companies is crucial (Yoshino 1976: 169): they assist the company with various aspects of its operation, such as determining business strategies, providing information about customers and products, and arranging financial matters. Everyday the Japanese at MTI keep in close contact with their superiors, subordinates, and friends at Boeki and Kogu by calling, faxing to and telexing to Japan. Membership in the parent companies is essential for the management. In fact, the parent companies assure this strong tie by choosing all the management personnel at MTI. Sooner or later, Yamano, Takenaka, and Sonoda will be recalled to Japan and replaced by other Japanese from Boeki and Kogu. The American staff members, on the other hand, do not have any direct connection with the parent companies. For example, when the Americans need to obtain information or goods from Japan, they must always work through the Japanese, who will in turn contact Japan on their behalf.

Language difference also enables the Japanese to monopolize the "power" at MTI because the Americans know
only English (except for Scott, who has some Japanese verbal communication skill), whereas the Japanese know both English and Japanese. Although by no means are the Japanese fluent in English, their knowledge of both languages gives them two advantages over the American staff. First, the Americans' lack of knowledge of the Japanese language prevents them from obtaining readily available information in the office such as conversation among the Japanese, fax and telex messages from Japan, brochures and catalogs in Japanese. The Japanese management can easily monopolize the information by not translating important messages written in Japanese and by communicating in Japanese when confidential discussions are required. Second, unlike the Japanese, the Americans cannot monopolize the information in their language because the Japanese can read letters, catalogs, quotations, and other essential documents written in English. In addition, thanks to the open style office, the Japanese can closely supervise the intra- and inter-office conversation of the Americans in English.

Increase in business volume, the prior experiences of the American staff members, and deprivation of power by the Japanese through the use of differences in their titles and knowledge of language brought the issue of "manual" to the surface at MTI. To the mind of the Japanese, this "manual" ran counter to the idea of "family," which is a typical

In the Japanese company where relationships among the members are kept close throughout their lifetime, a "manual" that clearly defines each individual's job in writing is not necessary because people are supposed to sense what their superiors and colleagues expect. That is, communication often takes "non verbal forms; one is expected to read the minds of others without resorting to verbal articulation" (Yoshino 1976: 167). Because the Japanese at MTI came from such an environment, one of their frequent complaints about their American subordinates was, "Why do we have to tell them everything they need to do?" Sonoda said, "In Japan, you can expect your subordinates to do 100% work with only 50% instruction. In America, you have to give 100% to expect 100%!"

Nakane substantiates this value of generalists in the Japanese company by indicating that in a Japanese organization, "responsibility is diffused through the group as a whole" and there is an "absence of clearly differentiated roles for each" (Nakane 1970: 80, 81). Therefore, "there are no clear-cut spheres or divisions of responsibility between the manager and his subordinates, and the entire group becomes one functional body in which all individuals, including the manager, are amalgamated into a
single entity" (Nakane 1970: 69). The establishment of a "manual" that defines each individual's realm of responsibility reverses the Japanese assumption of a group-oriented approach to jobs. Therefore, for the Japanese at MTI, the attempt to implement a "manual" came concomitant with the loss of faith in creating a "family" that incorporated their American subordinates.

Although the Japanese have not been able to create a "manual" because of their ambivalence toward and their lack of knowledge about how to make one, the emphasis on "manual" and the simultaneous decline in "family" is likely to intensify at MTI in the future. A continual expansion of business will require the company to hire more American personnel, whereas the number of Japanese will remain the same because visa acquisition to work at MTI is becoming increasingly difficult. The growth in business will also allow MTI to open a branch office in another state. In that case, the Japanese management envisions promoting an American staff member (most likely Scott) for the first time to a managerial position as a branch manager. However, in order assure a smooth operation of the branch office, the management considers effective supervision essential. For example, Takenaka thinks that in order to effectively supervise, every sale must be reported daily to the main office. In any case, the supervision and control of
Americans will be an important concern for the Japanese management.

Other observers of Japanese companies in the United States often comment about the duality between the Japanese and Americans (Kidahashi 1987), which, at MTI, emerged after the concept of "family" started to break down. Although American scholars frequently discuss the value and necessity of adopting the people-oriented management style of the Japanese company (Ouchi 1981, Pascal & Athos 1981, Lu 1987), it seems that the Japanese are not too successful in importing and adapting their own system to American soil. The Japanese at MTI certainly tried the Japanese way, but after a little more than two years, the Japanese way has become applicable only among the Japanese who themselves still value harmony and consensus. In the same way that the Japanese thought American suppliers and customers were inefficient and untrustworthy, the Japanese managers at MTI lost confidence in their American staff. After all the effort to create harmony in the office, duality steadily and powerfully defines the Japanese-American relationships at MTI.
NOTES

Chapter I
2. See for example, a series of articles in The Los Angeles Times from July 11 to July 13, 1988, and an article, "Do it my way," in The Economist, 24-30 November 1990: 74+
3. I have created the pseudonym, Metric Tools International, Inc., in order to protect the identity of the company.

Chapter II
1. Figures are taken from a community audit published in 1991 by the city's economic development board.
2. 1989 figure.
3. 1990 figures (Boeki and Boeki America).
4. First innovated by Toyota Motor Company and implemented in the 1960s, "Just-In-Time" service is a system in which parts are produced and delivered just before they are needed at the factory lines in order to keep the inventory cost as low as possible. "Just-In-Time" has become a prevalent production system in Japan and is now being used in the United States by companies such as General Motors.

5. The total sales figures of the company has fluctuated from $4 million in the first year to $6.2 million in the second year to $4.5 million in the third year. However, many of the sales in the first two years consisted of large and expensive (up to $2.5 million) machines imported from Japan that were needed before beginning the operation of customer transplants. Sales of tools, a major growth indicator for MTI, has continued to increase all three years. In the third year, MTI sold $2.5 million worth of tools in contrast with $1.9 million the year before.

6. In order to protect the identity of the individuals, names used in this paper are pseudonyms. I refer to the Japanese by their last names and Americans by their first names because Americans in the office are always called by their first names, whereas the Japanese tend to use last names in the conversations among themselves (in my case,
being the youngest in the office I always attached an
honorific ending "san," which is omitted in this paper). The Americans, on the other hand, call the Japanese by their first names.

Chapter III

1. Many articles and books published in Japan discuss the decline of American business. For example, the translation of Made In America (by Michael Dourtouzos et. al.), which explores the cause of decline in international competitiveness of various American industries, has been well received in Japan. Noboru Makino, one of Japan's well-known business critics, writes that America has become Japan's "Manchuria" because its major exports to Japan have been reduced to products such as lumber, coal, wheat and corn (1981: 50).
Abegglen, James C., and George Stalk Jr.  

Befu, Harumi.  

Chang, C.S.  


Dertouzos, Michael, Richard K. Lester, Robert M. Solow.  

Doi, Takeo.  

Dore, Ronald.  

Geertz, Clifford.  

Hamada, Tomoko  

Ibe, Kynosuke.  
Itami, Hiroyuki.


Johnson, Richard Tanner, and William Ouchi

Kanter, Rosabeth Moss.

Kidahashi, Miwako.

Lu, David

Makino, Noboru.

Marsh, Robert M., and Hiroshi Mannari

Maruyama, Magoroh.

Morita, Akio.

Nakane, Chie.

Nevins, Thomas.


VITA

Yujin Yaguchi