

Business is Business?

by Andrew Horsfall

American business's competition is constrained by a set of principals, largely required by law, and customs, largely dictated by interactions in markets. The only constraint that limits the competitive activities of Japanese firms is pragmatism: what is effective. Put another way, business is business to Americans, while business is war to Japanese. This thinking is put forward throughout Michael Crichton's book *Rising Sun*.

One way that Japanese companies succeed is by demanding the lifelong loyalty and the utmost effort from the mind body and spirit of their employees. In return they offer acceptance, prosperity, protection, and respect. This codependent relationship between employer and employee is not matched by American companies, because unions encourage mutual distrust and individualism encourages employee turnover. This mindset of the Japanese has two major results that America cannot match.

First, employees will do anything for their companies. In *Rising Sun*, Ishihara killed to save his company a disgrace and a collection of background characters tampered with evidence to shift blame. With loyal employees willing to use any expedient method, Japanese companies can ignore intellectual property rights, shipping regulations, and anti-trust laws. American firms do not have a greater desire to live by these rules, but their employees can not be expected to cover for them with any solidarity.

Second, with such totality of devotion in mind, companies do not make a distinction between public and private lives of their employees, or their competitors. The success of the business reflects the prosperity of its employees. The virtue of the employees is reflected in the solvency of the company. For the same reasons, distracting a Senator with sex is a natural way to discredit his opposition. Bribing or blackmailing the police is a normal procedure for limiting the effectiveness of a troublesome investigation. American companies do not have these troubles or these tools, because they do not have a claim on the prestige of their employees.

Another way that Japanese companies succeed is through adversarial business practices. These are carried out much like a military strategy, and an American duplicate would be outlawed.

First, Japanese firms ally with one another. While companies in the western world are limited by anti-trust laws in their ability to organize markets, all Japanese firms are built around six conglomerations. Information sharing and special pricing is available in these blocks beyond anything legal in the US.

Second, long-term strategies are put in place to guide industries. Immediate gains or losses and small setbacks are unimportant, so long as the "grand scheme" stays on schedule. The American firm is unable to compete in this way, because it owes annual profit to its shareholders.

Crichton makes numerous realistic and critical observations, but few moral judgments of, his Japanese characters. Japanese dislike confrontation, so everything is communicated indirectly with implications and intermediaries. This forces an inefficient social structure. Japanese do not like to make executive decisions, so their corporations react to changes slowly. To be

flexible, they must plan for every eventuality beforehand. Japanese are arrogant, believing that non-Japanese are incapable of truly civilized life. But the author is equally determined to tell us that in their context, the Japanese are good, hardworking, respectful, polite people. The differences between the two business cultures are emphasized, but neither is put forward as morally superior. Making that simplistic judgment would be a decision made in ignorance.

Crichton teaches, without judgment, that Japanese business does well because it has a relationship with its employees; and business strategy unlike western companies. The American corporation is not limited by its inability to do these things. It is limited by its unwillingness to follow the successful Japanese plan, or by the legal ramifications of doing so.