matsushita case essay sample

Art & Culture

1. Triggers of cultural change in Japan during the 1990s were traditional ways of doing business. In 1990s, Japan was encounter with bubble burst of financial crisis (economic slump) then every business unit which were get the problem with crisis must change their business ways as fast as they can to make their business moving on with not crush. Businesses start to lay off worker and reduce business size to smaller and change in many internal process such as company benefit, company housing, etc. Then it makes cultural change on working attitude of worker to have less loyalty and focus on higher salary instead.

2. Japan change culture influence the way Japanese business operate in the future is decentralize the power and profit to split the risk that can crush the company. The potential implications of such changes for the Japanese economy.

3. The traditional Japanese culture benefit Matsushita during the 1950s-1980s is cradle to the grave employee. At Matsushita, employees were good taken care from the company. The firm provided them with a wide range of benefits including cheap housing, guaranteed lifetime employment, seniority based pay systems and generous retirement bonuses. The Matsushita was got loyalty and hard work from its employees. Did traditional values become more of a liability during the 1990s and early 2000s? Yes it is. The Matsushita spend a lot of money for take care their employees as cheap housing, retirement bonuses and guaranteed lifetime employment. The Matsushita must pay high cost while get low profit from Japanese economic slump.

4. Matsushita trying to achieve with human resource changes it has announced is taking aim at the life time employment system and the associated perks. The Matsushita give 3 options for recruits. First, they were get benefit almost as same as before such as subsidized company housing or receive a retirement bonus. Second, they could deny the guaranteed retirement bonus for higher starting salaries and keep perks. Third, they would lose any subsidize from company and guaranteed retirement bonus but they would start at a still higher salary. Moreover, the company has moved into new industries such as software engineering and network communications technology. It has begun to sing the praises of democratization of employees. a. The culture changes are made quickly is lead to quickly change in business way of doing; first period may be lack of profit and performance on business but not be a long time from changing, business is recovery itself and moving again with normally step of business profit. b. Take even decades to fully change the business way is lead to resistance of economy. They would not accept for all changing. Matsushita take choice b to doing business.

The company continue poor performance until cannot survive and collapse in finally. 5. I think Matsushita itself (Owner thinking) can be recovery their business without changing traditional and following the economic happens with stand-alone worldwide business divisions. But it is not like them think. 6. From Matsushita case, you can see different between traditional Japanese culture and new culture where get western ideas. The traditional culture is reciprocal obligations relationship between company and employees. The societal culture is help each other, the company provide benefits to

employee to expect loyalty and hard working. The employees receive many benefits from the company such as bonuses, generous retirement bonuses and subsidized services. The employees feel happy for these benefit, they will give loyalty and try to hard work as they can for the business success. Conversely, the new generations has new idea. They grew up in richer family and get western's idea. They don't want to be salary man all their life. They emphasize to progress in work not only be the good employee, only hard work and do everything that boss said.

1. What were the triggers of cultural change in Japan during the 1990s? How is cultural change starting to affect traditional values in Japan? During the 1990s a prolonged economic slump forced quite a number of Japanese companies to change their ways of doing business, like abandon the " Confucian values". Younger people, who saw this, begun to question themselves if it's meaningful to be tied to a company for life. Furthermore they saw that the western ideas of doing business seemed to have greater possibilities and more freedom to move around. These are the reasons why western values become more and more important in the Japanese life and bit by bit affected the traditional Japanese values. 2. How might Japan's changing culture influence the way Japanese businesses operate in the future? What are the potential implications of such changes for the Japanese economy? The generation born after 1964 has other new views how to act with a company. Nowadays the employees feel more important for themselves, for example for their career, than for the company.

The new generation will make individual effort and won't work for a greater good of their company for all employees. Therefore companies has to change

their programs of benefits. They have to support individual performance stronger and don't base it in a seniority pay system and reconsider about the sense of the rest of the benefits given to every employee as a part of the Confucian values. 3. How did traditional Japanese culture benefit Matsushita during the 1950s – 1980s? Did traditional values become more of a liability during the 1990s and early 2000s? How so? The traditional Japanese culture was one of the main reasons of Matsushita's success during the 1950s – 1980s. Thereby Matsushita took care of employees from the cradle to the grave and they offered their company life-long loyalty and hard work, known as the Confucian values. These values became a liability during the 1990s and the early 2000s. They were difficult to keep, when the Japanese economy felt into a prolonged economic slump. Matsushita was compelled to change its values.

4. What is Matsushita trying to achieve with the human resource changes it has announced? What are the impediments to successfully implementing these changes? What are the implications for Matsushita if (a) the changes are made quickly or (b) it takes years or even decades to fully implement the changes? Matsushita started to make changes in human resource practices in 2000. Since then they offered the choice of three employment options with differences in salaries, benefits and commitments. With this choice they wanted employees to believe in democratization, to encourage individuality, to take initiative and to seek risks. Especially among younger employees the changes are popular, the older workers are rather impediments. If Matsushita changes its system quickly the managers have to be careful that the employees understand the new systems and don't reject it. Long-time

changes could be dangerous because the system could lose its functionality. Furthermore Matsushita has to pay attention with any changes that they don't forget the values that are important for their corporate culture. 5. Why do you think Matsushita reorganized itself into stand-alone worldwide business divisions?

In 2002 Matsushita reorganized itself into 17 stand-alone worldwide business divisions to build an easier way to establish performance accountability. Furthermore such changes could help to enlarge a company. Each division is allowed to make own decisions. With more locations around the world, that are focused on a particular product sector, each division can react faster on new demands and against changes in business competition. We can see that Matsushita was successful with its changes because the company recovered in 2003 and started to make profits again in 2004. 6. What does the Matsushita case teach you about the relationship between societal culture and business success? In this case I have learned that societal culture and business culture are closely related to each other.

Therefore the business success depends also at the societal culture. Companies need to pay attention if values or traditions are changing in the societal culture, because the employees will probably become another cessation of work and employees are mainly conductive to a company's success. Every culture experience modifications during a period of time, in this case the change from Confucian values to western values, and the company has to adapt its working conditions, Matsushita changes its human resource practices.