

Scandal-hit Kobe Steel has a 'look the other way' culture, they say in hometown

- 1) KOBE, Japan - The fresh university graduate, eager to make a good impression on the job at one of Kobe Steel Ltd's main plants in Japan, punched the wrong measurements into machines making steel pipes, causing a large batch to come out too short.
- 2) "I thought I was going to be fired," recalled the former employee nearly 40 years later. But Shinzo Abe, now Japan's prime minister, stayed on the job at Japan's third-largest steelmaker for three years before entering politics in 1982.
- 3) Abe has called the steel industry the backbone of the nation. Kobe Steel, a 112-year-old company in south-central Japan's Hyogo prefecture, has risen from wartime devastation and natural disaster but its past is littered with examples of corporate misconduct.
- 4) Its admission last month that workers had tampered with product specifications for at least a decade is the latest in a string of scandals that has battered Japan's reputation as a manufacturing powerhouse. (tamper with 不正な変更を加える specifications 仕様、スペック powerhouse 強力な組織)
- 5) Clients around the world, including top carmakers and airplane manufacturers, have been scrambling to check whether the safety or performance of their products have been compromised. (compromise 弱体化する)
- 6) Workers, executives and shopowners in Kobe, a gritty, industrial city bordered by sloping hills where cattle are bred for the famed Kobe beef, said they were concerned but not surprised by the scandal. (gritty じやりじやりする)
- 7) Kobe Steel, which has apologized for the tampering, declined comment for this article.
- 8) "The corporate culture was to look the other way even while you saw what was going on," said a retired employee who worked at the company's flagship steel plant, Kobe Works - a symbol of the city's quick recovery from a 1995 earthquake that killed more than 5,000 people. The company's other main plant in the area is Kakogawa Works, in the nearby city of Kakogawa. (look the other way 顔をそむける、見て見ぬふりをする)
- 9) "They were supposed to be instilling a culture that paid attention when improprieties were discovered," the former employee said. "In the end they didn't create such a corporate culture. That's management's responsibility." (instill 徐々に教え込む、しみ込ませる)
- 10) The company initially said some workers had falsified data on contract specifications for a relatively small amount of aluminum and copper products, but it later admitted the problem had spread.
- 11) In 2006, Kobe Steel admitted falsifying soot-emissions data from the blast furnaces at Kobe Works and Kakogawa Works. (soot すず、煤煙 furnace 溶鉱炉)
- 12) The latest scandal reflects "exactly the same set-up", said Shoichi Tarumoto, who was then mayor of Kakogawa. "It looks like nothing has changed at Kobe Steel."

PAST PROBLEMS

- 13) Kobe Steel has admitted taking part in bid-rigging for a bridge project in 2005, and failing to report income to tax authorities in 2008, 2011 and 2013. The company exceeded established limits for ground and water pollution in 2006. (bid rigging 談合)
- 14) Illegal political funding to candidates in local assembly elections in 2009 prompted the resignations of the then CEO and chairman. And last year Kobe Steel admitted a subsidiary falsified data on stainless-steel products.
- 15) A senior official in local government who has dealt with the company for years said: "Kobe Steel always scouts the backstreets for shortcuts. That's their nature." (scout 捜して歩き回る)
- 16) Although its local dominance has waned, Kobe Steel remains one of only two Kobe-based companies, along with Kawasaki Heavy Industries Ltd, that have revenues over 1 trillion yen (\$9 billion) a year. The Kakogawa Works is that city's biggest company, vital as a local taxpayer and employer. (wane 衰える)
- 17) More than a third of the Kobe Steel group's 6,123 domestic customers are concentrated in Hyogo or neighboring Osaka, according to credit-research firm Teikoku Databank. More than half its customers are small and midsize Japanese companies.
- 18) The other clients are spread around the world and include top automobile manufacturers, airplane makers, railways and nearly any industry that uses steel, aluminum or copper in any form.
- 19) No safety issues have been found so far because of the tampering, but Kobe Steel has withdrawn its forecast for its first annual profit in three years. Whatever the eventual economic impact, the scandal is already affecting morale in Kobe city.
- 20) "If Kobe Steel suffers a blow, this is the area that will be most affected," said Tsuyoshi Matsuda of Teikoku Databank's Kobe office.
- 21) Kobe Steel acknowledges some customers have shifted orders to other suppliers. Major banks are instructing their Kobe area branches to keep close watch on the credit management at companies that do business with the steelmaker, bankers say. 後略【2017-11-04| Reuters】

★Icebreaker for active discussion

1. What is your image about Kobe Steel?
2. What could be the possible reasons for the abovementioned misconduct?
3. How could such corporate scandals be prevented from recurring?
4. Have you had an honest mistake at work in the past? What did you learn from the experience?
5. Make sentences using the following words: tamper, powerhouse, look the other way, instill and wane.