

## **Management problem in the company Toray**

Toray Industries, Inc. is a multinational corporation headquartered in Japan. Toray is a leading world producer of artificial fibers and textile, having 199 branches and subsidiaries in 17 countries and regions of the world. Besides fibers and textiles, Toray Group's diversified production and sales activities also include production of plastics and chemical components, products for construction, machine building, health care and other advanced products to include carbon fiber, electrical components and products for information technology.

TTCE - Toray Textiles Central Europe, s.r.o. was established on September 5, 1997, by its registration in the Commercial Register of the Czech Republic as a producer of high-quality polyester fabrics destined mainly for the European market. Headquartered in Prostějov, the company currently has 185 employees. Japanese employees hold most of the managerial positions in the Czech TTCE, but the human resources manager is a Czech employee, who is currently resolving the following problem.

### **Description of the problem in the company**

Since the company's establishment, smoking has been banned in all areas in light of occupational safety and health (OSH) and fire protection (FP), except in designated smoking areas (fulfilling the health protection requirement of not exposing nonsmokers to the effects of smoke). These areas exist in basically all departments.

This is a part of Japanese culture, which leaves the decision to smoke or not on the individual, and perceives a company-wide and total ban as unreasonable interference in the private rights of people.

In the current management team, there are smokers who, even for personal reasons, are not willing to quit smoking (including the Japanese General Director).

There is general agreement that smokers do not utilize the working hours as fully as nonsmokers. Despite the set breaks for food and rest, some prolong breaks or others even smoke outside of designated breaks. It depends on the benevolence or rigidity of the supervisors of individual departments.

There is no predominant agreement that smoking definitely harms human health, and that the company should definitely protect health even beyond the boundaries of the aforementioned "human right to the free choice to smoke". Furthermore, TTCE is not capable of technically providing an access system for all designated smoking areas, which would calculate time spent here and automatically deduct it from worked hours.

In this matter, the HR manager ascertained information from other companies as well to possibly support arguments for a change (namely a company-wide ban on smoking here in TTCE as well), and below is his statement:

"TORAY's branch in England (TTEL) introduced a company-wide ban everywhere several years ago. It supported this by a campaign from EU funds and by supporting employees' efforts to quit smoking. They presented it as a problem-free and successful project. On the other hand, my smoking colleagues tell me that there are still smokers smoking in TTEL, with the difference that those who insist on smoking must now go outside in front of the plant to stand under a cold awning, and that is neither very cultured nor very humane."

"VEBA Broumov, an efficient and profitable Czech textile manufacturer, introduced a company-wide ban on smoking a few years ago. They did it by use of penalties, which they also enforced a few times, but they ultimately achieved a positive result - allegedly nobody even sneaks out to smoke, and everybody assesses it positively. What's important is that the last smoker in management was the HR manager, who personally quit smoking, completely changed his life style and became the *face of the campaign*."

"I furthermore ascertained the situation in the other branches of TORAY (mainly in Asia); I had the chance to meet people from these companies during training in Japan. The situation in Asia is basically identical to the way we have it set up in TTCE right now, so I could not find any further supporting arguments of how to change it here in our company."

**Tasks:**

1. How would you resolve this problem?
  - Formulate pros and cons to a complete ban on smoking on the premises of TTCE.
2. Let us stipulate that management of TTCE decided to go ahead with such a ban. In what way will you proceed in its introduction and implementation?
3. How would you present your proposed solution to the employees?
4. Imagine encountering the same task in Germany. What differences might you expect?