The Toyota Accelerator Crisis: A Shattered Asian Miracle

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“In 2009 and 2010, Toyota recalled nearly 9 million vehicles, mostly due to accelerator or braking problems. Media reports vilified the company, Congress subpoenaed top executives, and Toyota's stock plummeted. Toyota devotees were stunned.”

To claim that the United States perspective towards the Toyota Motor Corporation (TMC) bore no reflection of xenophobic sentiment—particularly discrediting the ability of an East Asian business to produce technological innovations comparable, or even superior to those of the West—ignores and undermines the fearful, divisive rhetoric surrounding the progressions and downfalls of the Japanese-based organization, exemplified and exacerbated by the 2009 accelerator crisis. Entralling the recall of nearly nine million Toyota and Lexus models “due to sudden acceleration problems” by 2010, the accelerator crisis initiated a devastating downfall in the company’s public image, resulting in the immediate loss of the prestige, respectability, and acceptance amongst the American public within an unsettlingly short timeframe. An enraged public denounced TMC for its carelessness and degradation in quality, but a widespread sigh relief regarding the downfall of a Japanese miracle simmered underneath.

The West could not accept the idea of an Asian power surpassing a Western power for intellectual reasons, provoking cultural theory to explain sudden surges in Japanese development, a temporary, unsustainable explanation regarding Asian excellence. Initial merits of success morphed into loaded accusations of a broken Japanese exceptionalism, flooding public discourse with explanations for a short-lived Toyota rising. The proposed factors that led up to the Toyota scandal, deviation from the company’s founding guidelines, company leadership outside the trusted family, and a lack of feasibility in balancing increased quality with heightened efficiency, vilified TMC for straying from its moral high ground with isolationist fervor. In other words, Toyota simply did not possess the ability to maintain its virtues and emphasis on quality while undergoing such rapid, irresponsible growth. TMC’s initial success stemmed from sporadic innovations, resulting in long-term failure due to its lacking of Western business strategy. However, these generalized explanations, reeking of anti-foreign ideology, failed to acknowledge TMC’s historical consistency and the previously understandable realities of making errors in an increasingly complex, technologically advanced industry, bearing little legitimacy when analyzing both the historical context and the element of foreignness in Toyota Motor Corporation’s relationship with the United States.

Western fascination with the Toyota Motor Corporation alternated between cultural dismissal and genuine investigation regarding the company’s success within the automobile industry. Before the rush to condemn Toyota Motor Corporation for its carelessness and broken glory, academic discussion dating back to as early as the late 1960’s started to fixate on discovering Toyota’s secret to such unprecedented success, especially considering its emergence from “the destruction and bitter

2 M. Greto, A. Schotter, and M. Teagarden, Toyota: The Accelerator Crisis, HBS No. TB0243 (Glendale, AR: Thunderbird School of Global Management, 2010), 1.
defeat of World War II.” Japan held a secret that western powers desperately sought to unravel. During the initial years of the 21st century, as Toyota surged towards success by raising productivity, reducing inventory, and cutting operation expenses, “hundreds of firms visited Toyota firms” with the intention of learning the inner workings of the Toyota Production System. Words of admiration did not hesitate to define Toyota as “the most striking development in recent world history,” “a paragon of quality and productivity.” By 1980, Japan replaced the United States as the largest automobile-producing country in the world. As Japan transitioned into the new global leader in technology and production volume, Japanese business strategies became an intriguing subject, a sought after secret “to eliminate waste in operations” with the utmost efficiency. The conclusions resulting from the intrigue, however, varied based on historical context.

Although Toyota initially inspired Western businesses to improve their production process and become more competitive in the automobile industry, the lack of immediate boom in the final decades of the 20th century (1970s-1980s) sent business analysts into a cloud of doubt and resentment. The inability to immediately replicate and outperform Toyota, to reestablish the status quo of an automobile industry led by Western innovation, resulted in cultural justifications dismissing Toyota’s enhanced performance as a mere result of Confucian influence at work within an overpopulated East Asian region. Suspected “cultural barriers to following the Toyota Way” discredited theories of actual innovation and instead strengthened notions of Japanese merely fulfilling their stereotype, imitating Western production methods with more willpower and precision. “Asians more naturally observe things in greater detail,” able to harness their innate talent for perfection at a faster rate than white Americans. The Japanese did not have a secret weapon to outproduce American motor corporations after all. They just worked faster and harder, fueled by their Confucian heritage to devote themselves entirely to the corporate philosophy for the sake of achieving exceptional results. Outperformed by Japan, the United States invalidated Japanese success in an attempt to justify their own inability to catch up.

However, the Toyota Motor Corporation continued to challenge the false assurances of temporary cultural influence through decades of continued, nearly uninterrupted growth and progress. By 2008, Toyota took the spotlight, passing General Motors “to become the largest car company in the world.” Toyota’s ability to produce new models at a faster pace and for a cheaper price reflected constant pushes for efficiency and improvement. Under the guidance of former President Katsuaki Watanabe, for example, Toyota embraced a “trimming the fat” strategy.

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8 Ibid, 271.
11 Ibid, 306.
12 Ibid, 39.
launched the Construction of Cost Competitiveness in the 21st Century (CCC21) program in 2000 with the intention of sourcing “90% of its parts more cheaply” while simultaneously “increasing part quality,” resulting in savings that totaled upwards of ten billion United States dollars over a five-year period. In 2005, adding to the progress of the CCC21, Toyota heightened its overall goal with the implementation of the Value Innovation campaign, more aggressively streamlining and simplifying the manufacturing process. The initiatives were seen as revolutionary in their own right, and provided what proved particularly effective in order to “simplify production processes” and “utilize materials more efficiently.” The company’s product development capabilities and effective transactions with suppliers once again became methods to emulate for hopeful Western business.

Toyota Motor Corporation, a Japanese company, became a role model in a formerly Western dominated market.

The results of business strategies, like the CCC21 program and Value Innovation campaign, spoke for themselves, confirming legitimate Japanese innovation. Toyota Motor Corporation had started to build actual Western respect for its resilience; United States discussion started to propose the idea that Toyota’s credibility extended beyond overly generalized cultural justifications, accepting that Toyota’s outperformance might not have had a visible end after all. “Japanese-ness’ no longer seemed such a magic bullet,” and identifying the actual key to success led to the study of individual organizational capabilities versus Confucius-driven discipline. “Toyota was able to think outside the box,” outpacing General Motors by “working aggressively” to make the absolute “most of its advantages.”

Analyzing Toyota’s edge over General Motors, Lee Hawkins Jr. and Norihiko Shirozu from the Wall Street Journal deviated from cultural justification, crediting Toyota’s surge to “the latest know-how” in various manufacturing processes.

Toyota was able to disassociate itself from dismissals nothing more than another unsustainable Asian miracle. Scholars proposed that Toyota’s success stemmed not from “traditional Confucian ethics such as diligence, frugality, family solidarity,” and “stress on education,” but rather competitive thinking and production methods. This is significant in that using Confucianism to justify economic growth comparable to the most advanced Western countries dismisses serious consideration of an Asian country’s ability to be innovative and ambitious in its own right. The Confucius explanation rejects an Asian country’s ability to “deviate from average behavior” through “rigorous attempts” that reveal anything other than imitation. It negates notions of permanency and progress originating from a non-Western origin. TMC had momentarily escaped this cultural dismissal. And while the United States was reluctantly starting to consider Toyota as something

15 Ibid, 3.
16 Ibid, 3.
17 Ibid, 4.
19 Cusumano, The Japanese Automobile Industry: Technology and Management at Nissan and Toyota, 117.
22 Lee Hawkins Jr and Norihiko Shirozu, “A Tale of Two Auto Plants.”
other than yet another short-term result of the Asian miracle, the recall impeded the ideological progress.

Toyota Motor Corporation’s quality crisis provided a means for the United States auto-industry to discredit an intruding foreign power, a threatening non-Western innovation. With an estimated six million vehicles linked to “at least five fatalities” in 2009, the company’s public relations crumbled into nothing more than reports and publicity regarding “possible defects” and monitored implementation of the recall process.\(^{25}\) The broken gas pedals and “misaligned floor mats” embodied TMC publicity. Threats of civil penalties and hearings with the intent to add further pressure and “highlight the political heat building under the Japanese car maker” deconstructed a forming power, reestablishing an ideological gap in where true technological innovation safely came from.\(^{26}\) Efforts to experiment with “less-absorptive plastic” and “give the new pedal some resistance” through less dependence on one of its United States suppliers, CTS Corporation, were overshadowed by “sticking accelerator reports in Europe” later that year.\(^{27}\) A company taking responsible action to address “its biggest-ever safety” disaster had to operate under publicity focused on failure.

Western insistence on East Asian inferiority bubbled underneath American discourse, even during celebratory headlines of Toyota’s progress and plans for expansion. A year of Western fascination with the company’s unprecedented growth became laced with fear of a foreign power encroaching on United States markets in 2008. Micheline Maynard with the *New York Times*, for example, exemplified subtle suggestions of xenophobia by constructing Toyota’s success around its foreignness, emphasizing the oddities of Toyota’s foreign employees when reporting on innovative production methods, consisting of workers using golf balls “to limber up their fingers before they learn new tasks,” “speaking languages that include Russian and Turkish,” and operating mindlessly under Japanese executives and senior managers.\(^{28}\) As Toyota revealed plans for 2008, hoping to sell 9.85 million vehicles worldwide as well as increase its number of manufacturing plants, the United States portrayed Japanese ambition as purposely in conflict with domestic “worries about a slowing [United States domestic] car market.”\(^{29}\)

Media strategically manipulated the rhetoric to place an alienated Toyota in competition with a threatened General Motors, reporting business prospects in a competitive and aggressive context. The United States played the role of the vulnerable victim before a heartless, problematic Toyota, “hit hard by a subprime mortgage crisis and rising oil prices,” indirectly advocating a closing of the United States economy to protect domestic industry and consumer interests.\(^{30}\) In response to Toyota’s 2008 plans for expansion and increased production, the Associated Press omitted the consensual nature of car sales, the benefit of increased domestic production, and the need to ensure a continued circulation of income. This morphed Toyota’s ambitions into merciless plans to capitalize on “America’s economic woes” and simplified Toyota’s

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26 Linebaugh, Kate, Josh Mitchell, and Norihiko Shirouzu. "Toyota's Troubles Deepen."

27 Ibid.


30 Maynard, “At Toyota, A Giant Strives To Show Its Agility: Automaker Works To Refine A Formula For Global Success.”
business interests under an overall negative portrayal.\textsuperscript{31} Toyota could not be represented as a successful company on the rise; it needed to be “a giant” arrogantly striving “to show its agility” in a global arena.\textsuperscript{32} 

During the initial aftermath of the 2009 accelerator crisis, Toyota’s secrets to success suddenly mutated into recipes for disaster. Leading figures in business, like Michael Greto, Andreas Schotter, and Mary Teagarden, did not hesitate to vilify the same initiatives previously deemed revolutionary and efficient. Reinterpreting the CCC21 program and Value Innovation campaign in particular, the former praise crumbled to symbolize a sacrifice of “quality at the expense of extreme cost reductions” resulting from pressing cutbacks rather than ingenious, efficiency-maximizing efforts.\textsuperscript{33} Creative money-saving techniques were dismissed as aggressive policies with low reliability, and Toyota later became an example of what not to do when undergoing accelerated growth in production.\textsuperscript{34} As Toyota’s J.D. Power’s Automobile Quality Ranking fell from the 6th most favorable to the 21st between 2009-2010, signaling an especially difficult time for Toyota in terms of public relations and favorability. The company had no other option but to publicly apologize and reevaluate its “penny-pinching measures” in coexistence with the \textit{Toyota Way}, the founding morals of the company stressing accountability, innovation, and prioritizing the safety and satisfaction of the customer.\textsuperscript{35} The damage to the Toyota brand appeared irreparable. However, given such rapid polarization in the fluctuation of pro-U.S. auto-industry opinion and rhetoric, the U.S. industry was unusually prepared to vilify the Toyota Motor Corporation. American automobile companies capitalized on the anti-Japanese justifications surrounding Toyota, intensely covering the recall with the intent of facilitating the dissociation between foreign and reliable.

U.S. coverage of Toyota’s progress preceding the 2009 recall provided hollow support, considering news of improvements and growth continued to come in tandem with a recurring underpinning of concern and caution. Toyota was “a name rapidly coming to be both celebrated and feared.”\textsuperscript{36} While Toyota continued to progress during the years leading up to the accelerator crisis, potentially overtaking Ford as the world’s second largest automaker, coverage included ominous foreshadowing of the end to “American dominance over the global auto industry,” a threat that later circulated within the United States.\textsuperscript{37} Media paired Japanese success with American anger. As Toyota honed its skills to become a more competitive automobile producer, even “the soaring value of the yen” could not impede new, high-tech models, sporting upsettingly appealing prices “well below those of comparable models made by Detroit auto makers.”\textsuperscript{38} The announcement of the Echo in 2008, priced below $10,000, stunned “outraged American auto executives” into silence, unable to resist “the widening trade deficit with Japan.”\textsuperscript{39} Supportive superficially while secretly hoping for failure, the shakily constructed support and awe of Toyota’s progress fell without resistance after the

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\item \textsuperscript{31} “Toyota Aims to Be No. 1 In 2008 Vehicle Sales: Forecast Comes Amid Slowing U.S. Growth.”
\item \textsuperscript{32} Maynard, “At Toyota, A Giant Strives To Show Its Agility: Automaker Works To Refine A Formula For Global Success.”
\item \textsuperscript{33} M. Greto, A. Schotter, and M. Teagarden, \textit{Toyota: The Accelerator Crisis}, 1.
\item \textsuperscript{34} M. Greto, A. Schotter, and M. Teagarden, \textit{Toyota: The Accelerator Crisis}, 3.
\item \textsuperscript{35} Ibid, 3.
\item \textsuperscript{36} “Toyota’s Firm Foothold in U.S.,” \textit{South China Morning Post}, November 24, 1969.
\item \textsuperscript{37} Hakim, “Toyota Overtakes Ford as World’s No. 2 Automaker.”
\item \textsuperscript{38} Meredith, “Detroit Silent As a Toyota Hits Market: New Model, the Echo, Starts Below $10,000.”
\item \textsuperscript{39} Ibid.
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announcement of the recall, morphing instantaneously into discourse strictly about everything Toyota did wrong.

Toyota’s failure was not a devastation for public safety, but rather a patriotic celebration. News of faulty accelerator pedals received exceptionally insolent responses, criticizing Toyota by bordering blatant mockery. Toyota might have been “a little safety deaf,” deliberately misleading investors and consumers about the extent of the accelerator problem, and antagonizing comments grew more obvious. The principal goal in coverage of the recall crisis centered on showing a dramatically dropping Toyota alongside significant improvements in car safety made by Ford, essentially reclaiming the automobile producing empire for the United States. Criticism of Toyota reflected a nationalistic approach to further distance and alienate an already endangered brand and credibility. Toyota had steered off course, away from decades of “high and stable performance.”

Unrelenting U.S. attention given to Toyota’s struggling public image demonstrated historic inconsistency and xenophobic motivation, evident in analyzing media representations of the Toyota Motor Corporation before and after the 2009 recall. Leading up to 2009, Toyota’s rising and improving image put the company in a competitive rivalry with American corporations, specifically Ford Motor Corporation and General Motors; and it was Toyota’s emergence as a threat that fueled and incentivized Western urgency to push Toyota down in credibility whenever possible, explaining the uninterrupted coverage of the 2009 recall incident. This did not mark the first time Toyota slipped in its efforts to improve and progress as a company, but rather the first time the West really acknowledged the performance of an Eastern business rival.

Before the Toyota Motor Corporation started to challenge the status quo of the global economy, still in the process of harnessing its manufacturing capabilities, coverage of Toyota’s setbacks was gentler, less frequent, and more empathetic of various inconveniences and errors in production processes. In comparison with the fury and stigmatization of the 2009 recall, the U.S. brushed over any Toyota scandal, still confident in its role as the world leader in automobile industry. For example, in 1966, more strictly enforced safety standards through closer inspection revealed “411 defects or hazards” in almost 3,000,000 vehicles made in Japan. The Japanese Ministry of Transport divided the blame for 75% of the defective vehicles amongst Toyota, Honda, and Nissan, discovering safety concerns in the corrosion of the brake-pipe and dubious front-brake hose fixtures. Unnoticed errors and safety hazards sprang into visibility up until 1969, but the rush to punish and condemn Toyota and other Japanese automobile producers failed to reflect the same sentiment of anger and outrage in 2009. Classifying the 1969 recall as a need for “minor changes” in the Toyota Corolla in newspaper reports, confirming “a number of minor but worthwhile improvements to the interior layout” stresses the minimal reaction and publicity of a recall that later totaled 13,500,000 vehicles when also including Western automobile producers. The media essentially chose to gloss over the incident for the preservation of its own image, and passed the opportunity to attack a nonthreatening Toyota Motor Corporation.

41 Ibid, 7.
44 Ibid, 335.
Recalls in the United States and Japan, in the case of 1969, “did not necessarily reflect a decline in quality” nor a deviation from traditional values and integrity. The vehicular problems, concerning the durability of the brakes, remained unattached to proposals of Toyota’s failure to ensure quality or demonstrate the proper amount of transparency brought forth in 2009. The West took a comparatively milder route in addressing the 1969 recall crisis, not demanding that Toyota take full responsibility for the errors that put American lives at risk, as was the case in 2009. Suggested “increased safety and quality standards” were to blame, leaving everyone unprepared and unable to immediately adjust. With the condition that automakers notify customers of defects and offer repairs, a cumulatively larger recall than that of 2009 did not require nearly as much attention, shaming, and condemnation. The practical dismissal of the 1969 recall, almost ignoring the severity and danger comparable to Toyota’s accelerator functioning in 2009, highlights a self-contradictory, arbitrary quality when defining the Western media’s decision process, deeming it necessary to incessantly punish Toyota for recurring mistakes in 2009 but not four decades earlier.

Criticism regarding Toyota’s 2009 recall focused primarily on the centralization of decision-making power in Japan and the portrayed loss of integrity, reshaping Toyota from a subject of cautious praise into a dumping ground to vent anti-foreign rhetoric. Toyota became a mysterious other that the United States could no longer trust. Former Toyota employees in the United States revealed that while Toyota and the United States had been collaborating for years, the interactions remained very limited, keeping “all key engineering decisions” within Japan, just outside of U.S. influence. “Toyota did not have a U.S. headquarters,” and it expanded too rapidly to effectively manage its growing manufacturing plants, “spilling over into Canada and Mexico.” Expressed bitterness towards Toyota not having a U.S. headquarters emerged in the midst of the 2009 recall crisis, popularizing the notion of an evil company lacking in transparency and determined to “intentionally keep consumers in the dark.” In spite of suggestions of the inevitability of making errors in a field with products containing “about 2,000 functional components, 30,000 parts, and 10 million lines of software code,” it was “aggressive globalization” and abandonment of company morals that guaranteed Toyota’s failure to achieve perfection in an increasingly intense and technologically advanced industry. Rhetoric concerning the 1969 and 2009 recalls reveal flawed contradictory logic, only adequately explained when considering the role of U.S. intimidation before a Japanese superpower.

Toyota’s public image depended and continues to depend on U.S. perception of their own automobile industry in contrast with that of Japan’s. Even as Toyota continues to integrate itself with the global community for mutual economic benefit, expanding manufacturing plants within the United States, the company’s foreignness renders it easily untrustworthy. As Toyota rose and fell in front of the United States, its lack of domestic American ties played a pivotal role in its alienation,
cautious adoration, and unsuspectingly harsh criticism. In 2008, Toyota threatened the United States’ fragile ego, surpassing General Motors as the largest vehicle-producing corporation in the world.\textsuperscript{56} Since then, the United States has kept a careful eye on Toyota, eager to dismiss it as another short-lived Asian miracle, acknowledge its innovative ideas with xenophobic undertones, and vilify it without mercy. To claim that Western-oriented economic patriotism played no role in the rhetoric surrounding Toyota’s progression as a corporation ignores and undermines the contradictory nature of Western media representation, validating clearly inconsistent constructions of Toyota Motor Company driven by unsustainable Confucian-inspired determination.

Bibliography


