



# MOBIL SEKIYU K.K.

## —CAREER DEVELOPMENT PROGRAM—

Mobil Sekiyu K.K had a unique business climate which was largely the product of a comprehensive human resource development system which evolved over many years of effort pursuing effective management and adapting the management policies of its U.S. parent company to the Japanese business environment.

In 1989, the Japanese government was in the process of delegulating the petroleum industry. It had already abolished the practice of allotting gasoline production to refining and wholesaling companies and was going to abandon other direct control measures such as restricting the establishment of new service stations. The petroleum industry was entering a new age of free competition. In view of the new competition, management at Mobil Sekiyu were studying what personnel measures were required to keep employees motivated and the organization viable.

### COMPANY BACKGROUND

Mobil Sekiyu K.K. was a wholly-owned sales subsidiary of Mobil Corporation, the third largest oil company in the world. Mobil Sekiyu was the biggest of the more than fifty Mobil subsidiaries (called affiliates) world-wide and accounted for about 10 percent of global sales. The Japanese company was the 7th largest petroleum company in the domestic market with 1988 sales of ¥58.26 bil. and a market share of 6.3% (if only gasoline was considered, 6th with 8.2% share). Its current profit of 24.8 bilo in 1988 was much higher than the average of the industry. There were 1,247 employees (1,010 men and 237 women), about two-thirds of whom were college or university graduates. Their average age of 43.6 years

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This case was prepared by Professor Hideo Ishida of the Keio Business School in July 1989 as a basis for class discussion. It is not intended to illustrate either the effective or ineffective handling of an administrative situation.