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Is the Japanese style management by stress?

ALLISTON (CP) – Arnold Norris doesn't look like a typical executive.

Instead of a pin-striped suit and brogue shoes, he wears white cotton work pants and an open-collared shirt.

Arnie is embroidered across his breast pocket. If you didn't know better, you'd think he was just another rank-and-file worker at Honda of Canada Manufacturing Inc. in Alliston.

All employees at the factory – even the receptionist at the front entrance – are in identical white uniforms.

But Norris is the vice-president in charge of general affairs.

Putting the top brass in the same outfits as regular workers is part of the company's team concept policy that everyone involved in producing cars at Honda is equal.

"It helps break down the barriers of communication," he said. "There are no ties allowed here. We have no private offices and no private parking spots. No one person here is more important than the other person."

Team production comes in a variety of forms. But at its core is the philosophy that employees work better in groups, deciding on their own how best to do their jobs and meet production goals. The old assembly line, where each worker does the same simple task over and over, all day, is considered a thing of the past. Instead, the individual is multi-skilled.

He assists his colleagues and alternates tasks to avoid repetition and mind-numbing boredom. Foreman become advisers or group leaders for each team.

Success Story

In the early 1980s, Japanese automakers like Nissan and Honda exported the team organization of work to auto plants they opened in the U.S.

A pioneer was New United Motors Manufacturing Inc., in Fremont, Calif. A joint venture of Toyota and General Motors, the plant opened in 1984 on the site of an old GM factory and soon became the U.S. auto industry's No. 1 success story.

Production soared. Management claimed it took only 14 hours of direct labour to assemble a Nova compared to 22 hours to produce the J-car in the same plant before the Toyota-GM merger.

The work force, which had a reputation for wild-cat strikes, absenteeism, drug and alcohol problems began to cooperate with management. The absenteeism rate fell dramatically.

By 1987, U.S. automakers began to take notice.

Asian automakers have four transplant factories in Canada – Honda in Alliston, Toyota in Cambridge, Hyundai in Bromont, Que., and CAMI in Ingersoll.

Total investment reached \$1.6 billion. Their annual capacity last year was 430,000 vehicles.

At Honda's \$400 million Alliston plant southwest of Barrie, the first car rolled off the line in November, 1986.

The company now churns out 420 Civic hatchbacks every day. Management's message to workers there is simple.

"We ask our people when they are finished their process: Is that product good enough that you want to put your family into it?" said Norris. "If it's not, don't expect us to give it to someone else's family."

In the assembly area, which is divided into 12 zones, the floors gleam. Hanging on the walls are the results of an employees' corporate slogan contest, such as Honda, The Art of Quality and A Safe Efficient Operation Builds Our Future.

Although the day doesn't start with a company song, as it would in Japan, there is a brief period of voluntary stretching exercises. Supervisors huddle over desks in nearby open-area offices and are ready to fill in on the line when an assembler is sick or away on a course.

During a tour, Norris makes a point of picking up any litter on the floor and tossing it into a trash bin. The production plant has no janitors, he boasted. Instead, everyone is expected to clean the work area at the end of a shift or when machinery is down.

You'll never see anyone just standing around, he said. The Honda plant has a work force of 1,200. The average wage with benefits and bonuses, said Norris, is about \$18 an hour. In four years of production, the company has yet to suffer any layoffs.

"A lot of people see that the team concept breeds security and that's what it's all about," he said.

False promises

The Canadian Auto Workers union doesn't buy that for a minute. It believes the team concept is an insidious attempt by management to win over the hearts and minds of its members and abolish everything the union has fought for.

"The partnership and its promises are false," said a recent CAW position paper on the reorganization of work.

"For all the talk about jointness and worker control, employers are certainly not putting true equality between themselves and their employees on the agenda. Management will continue to jealously guard the managements rights clause and to unilaterally decide when to modernize, how much to invest, what to produce (and) with what kind of technology."

"The truth," the statement added, "is that management's agenda is not about surrendering power, but of finding more sophisticated ways to extend it."

In their book, *Choosing Sides: Unions And The Team Concept*, authors Mike Parker and Jane Slaughter say labour shouldn't be fooled by the team concept, which they call "management by stress."

Workers, they say, are pitted against each other through policies designed to organize inventory, reduce scrap and reworking, tighten management control and speed up production.

"No matter how well workers learn their jobs, there is no such thing as maintaining a comfortable work pace. There is always room for continuous improvement."

They also say worker expertise at several jobs is not just management's way of alleviating boredom. Making anyone do any task without extensive and expensive training keeps labour costs at a minimum, they say.

Before the CAW position paper was released, partnership principles had already been implemented at CAMI Automotive Inc., which the union organized in 1988.

The CAW says that while CAMI has a number of Japanese-style production methods, they co-exist with numerous features in union auto contracts, such as a grievance procedure, union security, standard seniority rights and full-time elected union positions.

Ron Pellerin, a national representative, denies the CAW compromised itself in order to certify the company's 2,000 workers. The union's goal, he said, was to monitor CAMI's management techniques from the inside.

The union is undertaking a two-year study to record workers' experiences at the Ingersoll factory.

"We are really trying to understand exactly what the Japanese accomplish," said Pellerin. "Certainly they're finding that Canadian workers are not totally subservient, that they don't have a total dedication to the company."

A joint venture between Suzuki Motor Co. Ltd. and GM of Canada, CAMI builds sport vehicles and economy cars.

Tom Grygorcewicz, CAW chairman for the plant, is reserving judgement on the team concept until CAMI is up to full production.

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High gear

Critics say lines at new plants start off slowly to get workers used to the system but then kick into high gear without their input. They're then expected to keep up the pace.

But Norris said Honda's production speed of one car every two minutes is slower than many of the traditional manufacturers and is not expected to increase "in the foreseeable future."

Grygorcewicz says once North American and Japanese management techniques are stripped away there's really not much difference between the two plants.

"The bottom line is that it's a factory," he said. "The work involves putting together cars. It's still a nuts and bolts type of industry."

As for CAMI's Japanese managers, Grygorcewicz admits its been tough adapting to their "different mindset." They don't expect disobedience of any kind from their workers, he added.

But Norris said he's never had any difficulty getting used to the Japanese excutives.

"They talk about the term 'the Japanese style of management,' but it doesn't exist."

"The Japanese style of management was borrowed from the Americans after the war, the difference being that the Japanese try to practise those principles where the traditional North American industry has let them go by the wayside."

Norris says he can't help but think the team concept will catch on throughout the North American auto industry.

The article EM9034 reprinted above and overleaf is used in Figure 11.11b of the STAT 221 Clourse Materials.