

# Japanese plants don't awe U.S. team

By RALPH ORR  
Free Press Labor Writer

Members of a joint UAW-Ford Motor Co. study team just back from an 11-day tour of Japanese plants were impressed by the national commitment to production and the "family spirit" in the plants, but were not awed by anything they saw.

"We didn't find anything startling over there," Peter Pestillo, Ford vice-president for labor relations, said at a news conference Tuesday.

"The Japanese are not invincible. They don't do things materially different, materially better than we do," he said. Their strength, he said, is that they already were producing cars that the world suddenly wanted when the oil crisis began.

UAW Vice-president Donald Ephlin, director of the union's Ford department, lauded the Japanese unity of purpose as "something we can learn from."

**EPHLIN SAID** the national purposefulness in Japan stems from the nation's

dependency on exports and its lack of resources.

"We got the same response, the feeling of commitment, no matter who we talked to — the management people, the union people or the young lady who was our interpreter. They all expound the same philosophy," he said.

Many Americans are getting a romanticized picture of Japan's industrial life, Ephlin said.

"I didn't see anything over there that I haven't seen in the U.S. before. They're using robots and automation to a large degree because they're very busy. They have very high volume; they have confidence in the future," he said.

**"THEY'RE COMMITTED** to having everybody working. We do it the other way around. If we can't sell the cars, then we lay the people off."

Asked about stories that Japanese auto plant employes work harder, Ephlin said the six local union leaders in the 15-member study group "unanimously agreed that the work pace was not great-

ly out of step with ours."

Pestillo said the study group returned with a full commitment to the worker-involvement program now in place in 55 Ford installations. He said the idea of worker participation in plant-level problem-solving was discussed intensively in Japan.

"If properly motivated, the American worker is fully the equivalent of the well-disciplined, well-managed Japanese worker," Pestillo said.

# Ford, UAW: 'We can learn from Japanese'

By John F. Nehman  
News Staff Writer

The American auto industry should learn from, but not duplicate, the methods of Japanese car companies.

That is the consensus of Ford Motor Co. and UAW officials who spent 11 days together on a study-tour of Japan's auto industry.

"I think we can learn by it (Japanese techniques)," said UAW Vice President Donald Ephlin, head of the union's Ford Department. "But there is very little we can adopt sled-length because of the differences in the two systems.

"HOPEFULLY together we can improve our own system."

"We didn't go over there to copy them. I didn't see anything over there I didn't see in the United States before."

Added Peter J. Pestillo, Ford's vice president for labor relations:

"We are not too proud to learn. We didn't find anything too startling over there. We confirmed some beliefs we had.

"But the Japanese strength has not been the product of greater wisdom and dedication.

They had a very favorable tailwind and a dramatic market shift down to a level at which they were producing.

"They're not doing anything dramatically different from us. All we have to do is tinker a little bit."

Ephlin and Pestillo commented on their 11-day trip yesterday dur-

ing a meeting with reporters at Ford World Headquarters in Dearborn.

The trip by eight UAW staff and plant-level officials and seven Ford executives last month is believed to be the first joint visit to Japan by a U.S. auto maker and the union.

"WE WERE extremely impressed with what we saw and heard," Pestillo and Ephlin said in a joint statement. "Now that we are back in the U.S., we will continue to discuss in detail the experiences gathered during our Japanese visit."

Those discussions, officials said, are likely to continue when the company and union begin negotia-

tions to replace a three-year contract which expires Sept. 14, 1982.

The study group had far-ranging discussions with leading experts on union-company relations, work practices, operating efficiencies, compensation practices, employe motivation and satisfaction and employe involvement.

The visitors toured a Nissan assembly plant, a Toyota engine plant, a Toyo Kogyo stamping plant, a parts supplier plant, and a steel mill in Tokyo harbor.

Ephlin said he had his picture taken next to a Japanese robot, adding that he had seen the same type of robot in a U.S. General

Motors plant in 1967.

HE SAID the Japanese use of robots has been "romanticized out of proportion.

"They are using robots and automation to a vast degree because they are very busy and they have very high volume. They're planning to build cars and they don't know where they're going to sell them.

"But they admitted to having everybody working. And this is one of the reasons they go out and hustle the way they do. We do it the other way around. When we can't sell the cars, we lay the people off."

"They have a unity of purpose as a nation that we can learn from," Ephlin said. "I don't see any nationwide commitment to full employment (here). I think getting our act together as a nation is our big problem."

# Eye-opening tour of Japanese plants

By Steve Hoffman  
Beacon Journal labor writer

Joe D'Amico, the stocky, blunt-spoken United Auto Workers president from Ford's Walton Hills stamping plant, still has vivid memories of labor strife in the small, coal-mining town in southwestern Pennsylvania where he was raised.

Those strong images of striking miners and strike violence were almost overshadowed, however, by those formed during a recent tour of Japanese auto and steel plants — the highly productive kind that are providing unrelenting competition to U.S. companies.

Those newer images, gathered during a 10-day tour organized by the UAW and Ford Motor Co., provided a marked contrast between this country's conflict-ridden history of labor-management relations and labor relations in Japan.

"I WAS fascinated," D'Amico said of the Japanese plants.

"Everything they do is together," he said. "The main things we were looking at were working habits and the relationship between management and labor."

Of his early years in Republic, Pa., D'Amico said: "I saw a lot of shooting . . . I saw a lot of cars turned over and burned.

"I was born and raised in those coal fields, and I know what it's like. When the big corporations were growing in this country, you had to fight."

But for U.S. industries to survive, those days may well have to be over, D'Amico said after his Japanese trip.

The statistics on Japanese productivity back D'Amico's observations. According to a recent report from the U.S. Department of Labor, Japan, despite a slowdown in productivity growth from 8.1 percent in 1979 to 6.2 percent in 1980, still has a rate of productivity increase nearly twice that of six other major industrial countries.

The Labor Department surveyed Japan, the United States, France, Germany, Canada, Britain and Italy.

GIVING an example of the attitudes that have contributed to that productivity, D'Amico said that Japanese auto plants have

far fewer job classifications than those in the United States. Employees are trained to handle virtually every job on the plant floor.

"There, if somebody gets behind, everybody pitches in to help," D'Amico said, "Here, if a guy falls too far behind, they stop the line until the job is finished."

Touring the Japanese plants was an eye-opening experience for the 56-year-old UAW leader, an officer in Local 420 since 1954, the year the plant local won its union charter.

He is in his sixth year as local president at a plant that employed more than 4,000 hourly workers in the late 1960s and early 1970s.

The 1973 recession started a downhill slide in employment at Walton Hills (in Cuyahoga County next to the Summit County line).

This summer, the stamping plant employs about 2,200 hourly workers, D'Amico said. More than 950 of the laid-off workers are still eligible to be called back.

"We've got people with 16 years' seniority who are on lay-off," he said.

COMPANY and union leaders who also went on the 10-day tour said they believed it was the first joint trip to Japan by a major domestic auto manufacturer and the UAW.

In a wide-ranging interview, D'Amico took time to reflect on the trip, on contract talks coming up in the auto industry in 1982 and on key issues likely to be brought to the table.

Increased productivity and a massive reinvestment are needed to compete with the Japanese, D'Amico said.

In areas such as automation, employee recruitment and cooperative labor relations, the Japanese far outstrip this country, he said.

"The whole bottom line of the situation is that if the company does something for the workers, then the workers will do something for the company," D'Amico said. "We've lost a lot of business because of a hard-nosed attitude — we've got to strike some sort of compromise to keep work in this country."

PART of the compromise lies in employee-involvement pro-

grams such as the one now in place at Walton Hills, D'Amico said. Those programs give workers a chance to participate in making decisions once regarded as management's alone.

And part lies in offers of job security — perhaps not the Japanese "job-for-life" system, but in a contract that gives auto workers strong protection from an industry cycle noted for its ups and downs.

Job security, D'Amico said, in turn will lead to greater union acceptance of more efficient work practices by eliminating fears of job loss.

The UAW representatives on the trip were headed by international vice president Donald Ephlin. The Ford group was headed by Peter Pestillo, vice president of labor relations.

The group visited Toyota, Mazda and Datsun automobile plants, as well as a new steel mill.

Seventeen union and company representatives went on the trip, which ended in late June.

"YOU can't help but be impressed," said Ephlin, head of the union's Ford Department. "It's that single-purposeness that's impressive — and it's the main reason they are able to beat us."

"If we can find a way to provide job security, then there is no question that autoworkers would participate a great deal more in improving operations. "Improving operations at a plant now — under our system — could mean a loss of jobs."

Pestillo, a former labor relations manager at Goodrich, called the trip "extremely impressive" in a news release jointly prepared with Ephlin.

Later, at a press conference in Detroit, Pestillo said that American autoworkers can compete on equal terms with their Japanese counterparts.

"WE DIDN'T find anything startling over there," Pestillo said.

"They don't do things materially different, materially better than we do. If properly motivated, the American worker is fully the equivalent of the well-disciplined, well-managed Japanese worker."

Pestillo, credited with helping to blunt years of animosity between union and management in

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Ford-UAW trip report, Japanese automobile

Cooperation with Ford cited

# UAW's trip to Japan seen bolstering image

By Marjorie Sorge  
Labor Editor

DEARBORN. — The joint UAW-Ford trip to Japan may have quelled some of the fears Japanese manufacturers have concerning the U. S. labor movement, according to Donald F. Ephlin, union vice president and director of the Ford Department.

Ephlin said eliminating some of these fears was a sidelight of the trip. The joint tour was a fact-finding operation on Japanese labor and management relations.

The Japanese auto makers have been apprehensive about building plants in the U. S. because of their fears of American unions, but Ephlin said the fears are unfounded and an excuse. He said the companies were surprised to see the Ford and UAW people together because they had been told the relationship between U. S. companies and unions was at the very least bitter.

Both Honda and Datsun are building plants in the U. S., scheduled to come on stream within the next 18 months. Those companies have voiced concern for the company/union relationship if those operations are organized.

Labor observers say the UAW is hoping joint ventures like this Ford-UAW trip may quiet some of this apprehension and make it easier to organize those facilities. However, there will still be the problem of a very different relationship between companies and unions in Japan and the U. S.

"The UAW and the Japanese system just don't go together," Ephlin told a press conference following the group's return from Japan. "We are a product of the (U. S.) industrialized system and the Japanese have trouble understanding U. S. labor relations."

- He said the Japanese unions are company organizations and would be called "sweetheart" unions in the U. S. But he said he would not criticize their system because "they've done well" and have achieved job security for their workers in the form of lifetime employment.

The UAW has been calling for more job security for its members in the U. S. auto companies lately, and it is thought that subject may play a big

role in the 1982 negotiations.

While the Japanese and U. S. labor systems differ, Ephlin said there are certain areas in the domestic relationship that don't make much sense and needs to be changed.

"Just because we are adversaries, doesn't mean we are enemies," he said.

Some of those changes are coming in the new Employee Involvement program being used at several Ford plants. Both Ephlin and Peter J. Pestillo, Ford vice president, labor relations, said that system is improving quality and productivity and is not all that much different from the much-ballyhooed Japanese plant system.

"We didn't find anything startling over there," Pestillo said. "They don't do anything dramatically different than we do. We just need to tinker a little bit."

Ephlin agreed the trip showed both parties they were on the right track with the U. S. program and that the Japanese are not "supermen."

The only differences found during the trip were a lower standard of living for the Japanese workers in benefits and work time; roomier, less congested plants, and fewer middle management people. That has already been implemented in some Ford plants where the management level has been reduced to bridge the gap between the shop floor and the offices.

Also, Ephlin said, the Japanese choose their hourly people like the Americans choose their top management, and those workers have lifetime employment.

This philosophy, however, does control the marketing concept. The Japanese build cars then find the marketplace because of their commitment to keep people working, while in the U. S., if the cars aren't selling, workers are laid off, he said.

Pestillo said he was impressed with the emphasis on human, rather than labor relations.

Both men said there was very little of the Japanese system that could be adopted in total for use in the U. S.

"We didn't go over there to copy them," Ephlin said. "I didn't see anything over there I didn't see in the United States before."

There were 15 members of the study committee, eight from the UAW and seven from Ford.

# JS Can Apply Few Japanese Practices: UAW, Ford

By DAVID KRAMER

DEARBORN, Mich.—A recent joint tour of Japan undertaken by the United Auto Workers and Ford Motor Co. left both company and union officials with the impression that much can be learned from Japanese industrial practices, but few of them can be transferred outright to the United States.

At a news conference here following completion of the 11-day tour of Japan, Donald F. Ephlin, UAW vice-president and director of the union's Ford department, and Peter J. Pestillo, Ford's vice-president of labor relations, described their reactions.

Both indicated that fundamental differences in the labor-management relationship from one country to the other preclude wholesale adoption of some of the by now well-known Japanese practices. But they also agreed that some of the widely held conceptions about superior manufacturing technology and a more productive work force in Japan, were "romanticised" or exaggerated.

Ephlin also struck down another commonly held assumption: that Japanese workers settle for much less from their employers than do their American counterparts. While Japanese workers currently do make considerably less than Americans, Ephlin pointed out that "they have achieved some things we haven't"—notably guaranteed job security and wages that are rising faster than the rate of inflation.

#### US Needs Expanding Economy

Stressing that the UAW has not—and will not—oppose increased automation in manufacturing, Ephlin pointed out that the fact the Japanese economy is growing so rapidly allows the country to achieve its national goal of full employment while increasing its level of automation. The U.S. likewise needs an expanding economy to keep its workers employed, he said, as it needs a goal of full employment.

"Handling automation is a continuing problem," Ephlin said. "We will struggle with the human results of it." He added, "automation is the way we have improved the standard of living of the work force."

"I don't see any national commitment to full employment here," he said. "Nineteen forty eight was the last time we looked at full employment. It's time we dusted it off."

As an example of the full employment ethic in Japan, Ephlin noted the case of a newly constructed \$5-billion Nippon Kokan K.K. steel mill the delegation visited. Some 12,000 workers lost their jobs as a result of the new mill, but the company found jobs for them in other industries, he said.

Pestillo called another commonly cited Japanese practice—allowing the worker to stop the line if he discovers a quality problem—"a lot more romance than substance." He noted that the same improvement in quality could be as well achieved through other methods, some of which Ford currently uses in its Employee Involvement (EI) program.

Pestillo also mentioned the Japanese management's "very serious" attention to human relations. He said it is such an integral part of Japanese business practice that he doubted whether any Japanese firm could segregate the amount of time and effort it devotes to human relations matters.

#### US Worker Praised

"The properly motivated American worker is fully the equal of the Japanese," Pestillo said. "Maybe we have a little more of a task motivating because we have a little more independence in our work force—that's fine. I'm not worried about that."

The Ford executive said he would like to see the company's EI program instituted throughout the corporation. Somewhat similar to another widely-touted Japanese practice—"quality circles"—the EI program encourages worker input into decision-making functions associated with their jobs. Currently, about 55 of Ford's plants have EI programs, with about 4,000 workers participating on a voluntary basis, he said.

The delegation consisted of eight persons from the UAW and seven from Ford. In addition to the steel works, the group visited auto plants of Toyo Kogyo, Nissan and Toyota, and Nippondenso, a major auto parts supplier. They also spent time with officials of Ford of Japan and Japanese union officials in Tokyo and other cities.

Ephlin said the adversary relationship which has long characterized American labor-management relations is not present in Japan, with "a unity of purpose as a nation that we can learn from" evident.

With one possible exception, Ephlin said, the work pace in Japan was not judged to be any quicker than here. American conceptions of Japanese worker involvement in the quality process are "overblown," he added.



## Japanese Riddle: Ford, UAW Seek Answer

by Jon P. Bird

TOKYO — Ford Motor Co. is no stranger in Japan. It started building Model T's in Yokohama more than half a century ago, several years before Toyoda Automatic Loom Works turned out its first car, the Toyota A-1.

Not the wildest oriental dreamers at that time could have foretold Toyota Motor Co. Ltd.'s emergence from such a modest start to become the world's No. 2 auto producer in 1980 — against Ford's fourth-place ranking.

It's a classic industrial case, certainly not unique, of the Japanese *gasukei* (student) upstaging the *sensei* (teacher), using all the inexorable patience and cunning for which Eastern cultures are noted.

Today, wisely or not — and only time will tell — Ford helps reinforce that posture here by invading Japan with executive cadres. One group tries to keep alive talks with Toyota over a possible joint venture in the U.S. The other — joined by United Auto Workers union international and local representatives — learns firsthand whether it's true what they say about Japanese production methods and labor/management relations. There's no link between these events, except to emphasize publicly what, in diplomatic lingo, might be called the Japanese Question.

In light of Japan's present strong position, Ford's attention has obvious merit, but in both cases the Americans scurried home still somewhat bewildered by the enigmatic Japanese.

"We were extremely impressed by what we saw and heard," Peter J. Pestillo, Ford vice president-labor relations, and Donald F. Ephlin, director-UAW Ford National Dept., tell the press. On the other hand, both agree what they saw and heard only "re-affirmed what we already knew" — that Japanese workers have a comforting sense of job security, evidenced by a "family spirit" and encouraged by total management participation. Everybody realizes "they are in the same boat," the Americans note.

Legendary dedication of Japanese workers, Mr. Ephlin says, is simply a reflection of "the unity of purpose as a nation" that pervades Japan. On management's part, he adds: "They feel they

Ford's Peter J. Pestillo, v.p. labor relations (left), and UAW's Donald F. Ephlin, Ford Dept. director, at joint press conference on Japanese trip.

have a responsibility for keeping their employees occupied."

At a joint press conference on their return to Detroit, held at Ford's World Headquarters in Dearborn, MI, Messrs. Pestillo and Ephlin agree that because of cultural differences and the history of the American labor movement, "the UAW and Japanese system just don't go together."

On the other hand, Mr. Pestillo says "we got lots of attention" in Japan. "To our knowledge, our trip was the first joint visit to Japan involving an auto manufacturer and UAW officials," he says, adding: "From all the Japanese had heard about our relationship, they had trouble believing we were together."

Explaining differences, Mr. Ephlin says current cooperation between the UAW and Ford management "starts from the bottom and goes up." He thinks top U.S. union and management leaders are aware of the need for a change, "but there is a vast layer in between" that must be reached to alter the traditional adversary roles.

Mr. Pestillo also feels Japan's famous worker-participation "quality circles," now being adopted as rapidly as possible in the U.S., aren't as formal as they sound. "We may be trying a too-structured approach," he says.

Both claim some tales about Japanese productivity and quality are more mythical than true — stories such as stop-the-line red buttons ready at hand for any worker who spots a bad part in assembly and that the Japanese work harder. "The work pace," says Mr. Ephlin, "is not greatly out of step with the U.S."

In sum, what the joint study team learned comes down to an attitude of cooperation, something Messrs. Pestillo and Ephlin indicate will grow in the U.S. "The Full Employment Act was passed in 1948 in this country," Mr. Ephlin

says. "Since then, nobody has read it."

Meantime, Ford and Toyota joint-venture talks come to a standstill after a year at the bargaining table. They can't agree on what product Toyota might build in one of Ford's closed assembly plants.

Harold A. Poling, Ford executive vice president, insists the companies plan lower-level contacts that could lead to some sort of association, but no timetable has been established.

Talks started with a car in mind when Toyota first approached Ford. The Americans shot that down just about the time they were ready to bring out their world car, the Escort/Lynx. Toyota's idea of a minivan didn't meet with approval, either.

Talks returned to a joint passenger-car effort, but now Ford says "specific projects" discussed in the past wouldn't be appropriate. Ford also notes its established relationship with Toyo Kogyo Co. Ltd., of which it owns 25% and which builds the new Ford Laser for the Asian market, must be compatible with any Toyota deal.

Although the Japanese Ministry of International Trade and Industry favors a Ford/Toyota arrangement, pressure eases while the effects of voluntary export quotas are being assessed. Besides that, Toyota has to consider the dilemma created when Saudi Arabia — a major market — threatened to boycott Toyota products as it has Ford's, because of the latter's ties with Israel. Thus, the logic of the deal for Toyota suddenly comes apart. The No. 1 Japanese producer, on the other hand, may be biding time before following Nissan Motor Co. Ltd.'s and Honda Motor Co. Ltd.'s lead in establishing some sort of U.S. production facility. □

Jon Bird is WAW's Far Eastern correspondent. WAW's Dick Waddell assisted with the story.