

ARE LABOR-MANAGEMENT PARTNERSHIPS FOR  
COMPETITIVENESS POSSIBLE IN AMERICA?  
The U.S. Auto Industry Examined

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## **Work Reorganization**

We currently find ourselves in the United States in the midst of an era of major work reorganization in manufacturing and service industries. Nowhere is this more true than in the auto industry, as managers move to implement new forms of social organization in the factories, as one important response to heightened domestic and international competition. The general outlines of the story are well known: faced with decisive cost and quality advantages in Japanese-run plants (both in Japan and now in the U.S. transplants), American managers have been forced to rethink old concepts concerning how to organize production and work (Altshuler et al. 1984; Piore and Sabel 1984; Dyer et al. 1987). One result has been a series of plant-level initiatives in recent years at GM, Ford and Chrysler to introduce some version of team organization and more cooperative industrial relations (cf. Katz 1985; Luria 1986; Quinn 1987).

The problem is that workers, union officials and middle managers are not always as enthusiastic about these new ideas as higher-level managers might like them to be (cf. Mann 1987; Quinn 1987; Parker and Slaughter 1988). Managerial initiatives are encountered with evasion, misunderstanding, negotiation, resistance and outright opposition -- and often for good reason. Beneath the statistics on trade, market share, cost, productivity, quality and "best-practice" production, and downstream from "born-again" high-level managerial strategies, dramatic events are unfolding on the shopfloor of American auto plants, including battles and negotiations over the organization of work that will have a major impact on the quality of working life, the role and influence of organized labor, and the future success of the U.S. auto industry.

Whereas advanced automation was seen by top managers as the key to renewed competitive success for the auto industry in the early to mid-1980s, the "team concept" is all the rage today. This shift of emphasis comes both from the expensive shortcomings of the

automation solution at showplace GM assembly plants such as Orion and Hamtramck, and from the extraordinary success of an alternative model at the Toyota/GM plant known as NUMMI (New United Motor Manufacturing, Inc.). GM managers must have been deeply embarrassed by the NUMMI outcome -- with the same workers, union and union leaders, Toyota management organized a production system that far exceeded in productivity and product quality not only the former GM plant on the same site but every other GM assembly plant in the U.S. as well (Krafcik 1987; Turner 1988). Beginning even before the first car rolled off the line in late 1984 and continuing right up to the present, a steady stream of GM managers and UAW representatives have flown out on pilgrimages to view the new model in action. One result has been a major push toward new team forms of organization throughout the GM system. And Ford and Chrysler have also taken note: through their own studies of NUMMI and other Japanese-organized firms and their own nascent joint-ventures, top managers at these firms have also begun major pushes toward team forms of organization.

Why are team and group forms of organization on and off the assembly line apparently superior (for productivity and quality) to traditional single-job organization in auto plants?<sup>1</sup> This is an important question because the "team concept" seems often to be blindly accepted as virtuous these days in managerial, academic and journalistic circles, at the same time as it is determinedly challenged from both activist and conservative bases in the rank and file. The answer has to do with the flexible allocation of manpower, the raising of work standards, and a new peer pressure to work harder, smarter and/or with greater quality consciousness. When workers are organized in teams or groups, managers usually gain a greater ability to move people around (as "job-control unionism" begins to break

1. The team concept in the U.S. has little to do with union-promoted concepts of "skilled group work" in West Germany and Sweden. Teams in the U.S. are typically composed of all skilled workers (who work more closely together now but continue to have much more freedom and responsibility on the job than production workers) or all production workers (who typically rotate jobs or at least learn more than one job, and who take on new quality and problem-solving responsibility as well, without any major upskilling).

down), thus keeping everyone busy all the time. When several workers and a team leader all know the tasks composing each job, management gets more information and can more easily regularize work standards across jobs and push for the steady and uniform raising of these standards. And when workers can be pulled together in a group responsible for one part of production and the quality of its output, peer pressure can often be shifted away from traditional shopfloor "slow down, you'll work us out of a job" consciousness to a new emphasis on collective productivity and quality of output. There is no doubt that the current effort by auto industry managers to introduce teams is a form of speedup -- Stephen Wood has referred to the new work organization as "team Taylorism" (Wood 1986); Mike Parker and Jane Slaughter have pegged it as part of a system of "management by stress" (Parker and Slaughter 1988). The interpretive question is to what extent this collective increase in work pace is required by today's competitive realities; the political question is how is it to be organized.

Management efforts to set up teams or groups, of course, on the Japanese model or otherwise, are notorious for their failures. Harry Katz, Thomas Kochan and Jeffrey Keefe found in a recent study no positive correlation between teams and productivity in the U.S. auto industry (Katz et al. 1987). They did find, however, a correlation between increased worker participation in shopfloor decision-making and productivity, leading them to the conclusion that teams can be beneficial only when linked to real worker input (thus fulfilling the promise to workers that there is something in this for them, too). And Dan Luria finds a correlation between work reorganization and performance only when reorganization is linked to product redesign -- specifically, the design of the product to match production efficiency requirements (Luria 1988).

Clearly then, team or group organization to be successful must be part of a larger whole, a new production system in the auto industry that includes a new social organization of the factory. I won't attempt a definition of teams, groups or new social organization

because the shapes of these in practice are still very much up for grabs. As we will see, Lansing, Lordstown, NUMMI and Van Nuys look very different one from the other, and the dominant model that emerges (if indeed there is one) will result from the outcomes of ongoing and future conflict and negotiation. But what is certain is that top management at the Big Three along with many plant managers have been won over to the necessity to push as rapidly as possible toward team or group forms of work organization. And high-level officials at the UAW along with many local leaders and shopfloor workers have also accepted the view that competitive markets require the acceptance of such change, to be negotiated on as favorable terms as possible.

For the union in particular, the drive toward work reorganization represents a major challenge. In whatever form it takes, the new organization moves away from several tenets of the established postwar industrial relations system (compare Slichter et al. 1960 with Katz and Sabel 1985; Kochan 1985; and Kochan et al. 1986). Two examples will show the significance of these changes and the depth of the challenge to organized labor. First, a major basis for union presence and strength in the auto industry (as throughout much of the unionized workforce) has been on the shopfloor as defender of seniority-based allocation for multiple, well-defined job classifications. For local union representatives, this has been perhaps the main thing that they do and the main service they provide for their members. Managerial work reorganization initiatives are demanding a substantial weakening of this power: big reductions in the number of job classifications, a more flexible allocation of manpower, and a cooperative labor-management relationship that includes less use of grievance/arbitration, the legal means through which local unions could make their clout felt. Secondly, another basis for union strength both at the national and local levels has been national and pattern bargaining and the resulting relative uniformity of pay, working conditions, rights and work organization. Current managerial strategies aim at getting local unions to compete with one another as plant-by-plant negotiations are conducted and a

wide variety of outcomes are reached. In return for the weakening of traditional shopfloor power and national-level solidarity, the union and its members are getting limited employment security (limited by market circumstances, always the main reason that auto workers get laid off anyway) and increased voice (usually informal) in managerial decision-making.

Market circumstances (overcapacity, intense competition in world markets and in the U.S. domestic market) have undercut the capacity of the union to bargain from a position of strength. In this context it is perhaps remarkable that the UAW, as one of the strongest and most cohesive unions in the U.S., has been able to remain entrenched in the auto industry and continue to provide its members with important new protections (such as the job banks and related steps forward in pay and employment protection). But the union position remains a difficult one for two reasons in addition to the general market circumstances. For one thing, unions in the U.S. have little history of integration into managerial decision-making, as unions do, for example (although in different ways) in West Germany, Sweden and Japan. This means that managerial initiatives such as the current drive toward work reorganization are taken at the outset without much reference to union concerns; and the union has to scramble from scratch to figure out how to influence management and come up with negotiable positions and alternative visions for reorganization. And for another thing, the UAW suffers as do all American unions from the fragmented and declining state of U.S. unionism. In the absence of a cohesive labor movement, the non-union option is very much a viable one (as Nissan at Smyrna, Tennessee, and Honda at Marysville, Ohio, have shown), and American managers are emboldened to move around unions and use threats as a basis for negotiation.

Given current and foreseeable intense market competition and the present configuration of management and union power in the auto industry, three outcomes seem possible in the drive for work reorganization and a corresponding new form of industrial

relations. First of all, the marginalization of union influence and the imposition of Smyrna or Marysville-type solutions (Japanese-model team organization without the enterprise unions) is a distinct possibility. The problem for this scenario is that the UAW remains very much a force to be contended with in the industry, and union democracy is alive and well at the local level. Local union leaders whose power becomes marginalized are sitting ducks to be voted out of office and replaced by those making more militant demands. And even where a Big Three firm might succeed in such a strategy, it is hard to imagine, given the authoritarian management tradition in the U.S. auto industry, that in the absence of countervailing union power managers would not revert to their old non-participatory ways, thereby losing much of the value in productivity and quality they might have gained from work reorganization.

A second scenario would be the spread of a Japanese-style team organization with well-integrated unions and consensual industrial relations, in which local unions play a decidedly subordinate role in managerial decision-making -- an enterprise unionism model. This is clearly what Toyota management had in mind in setting up the NUMMI plant (although as we will see they were only partially successful in this regard). With NUMMI as the model these days, this would seem to be the preferred managerial goal: to arrive at a highly efficient system of team organization in which a weakened union is incorporated at the plant level. The problem for this model again is the unwillingness of auto workers and their union representatives to go along. While close subordinate collaboration with management may be the union way in Japan, the charge "in bed with management" can be the kiss of death for local union officials in the U.S. As long as opposition slates and active local union democracy continue to thrive in the UAW, the road to a full version of enterprise unionism will remain problematic.

The third scenario is a homegrown version of team or group organization, one resulting from prolonged discussion, negotiation and conflict between labor and



management in which the union would play an assertive and independent role. Although labor-management relations would be more cooperative than traditional adversarial unionism (and based in part on the gradual development of trust between parties), the union would use its newly enhanced voice (traded for changes in work organization) to assert worker interests such as ergonomics and the "humanization of work" within the new system of organization. One could expect that the resulting shape of work organization would be different here than in the second scenario, with teams or groups, for example, that would permit a wider scope for worker participation and would include less of the stress and speedup features that seem to accompany enterprise unionism. While this would clearly be the preferred scenario of most auto workers and union officials (except for those who either blindly trust management initiatives or resist any moves toward work reorganization), contemporary adverse circumstances for unions in autos and elsewhere (outlined above) make the mobilization of sufficient power at local and national levels difficult. And in a similar fashion, adverse market circumstances, labor movement fragmentation, and the traditional arm's-length labor-management relationship make the development of alternative union visions of work organization (through research, discussion, experimentation and cross-national comparisons) painfully slow. Management has dominant power in the auto industry today, and it remains to be seen whether substantial power-sharing is on the agenda in more than a rhetorical way.

To generalize, Big Three management strategies today seem to be pushing toward the second (team-concept enterprise unionism) scenario, with occasional plant-level forays toward the first (union marginalization) and third ("homegrown") approaches. At the national level, the UAW seeks to cooperate with managerial initiatives at work reorganization while shoving outcomes more toward the third direction. At the plant level, local unions have often negotiated or fought tooth-and-nail against the second and for some version of the third. As the forces line up and face each other in the push toward fundamental reform,

the path toward industry-wide successful work reorganization has so far been rocky and conflictual. What is remarkable is the wide plant-level divergence of outcomes. Although top management may have a dominant model in mind (e.g., NUMMI), that model has so far proven elusive in its implementation. Rather, divergent outcomes have been shaped by specific plant-level management approaches and union responses. What is actually happening in the plants is not a drive along a continuum toward either best-practice or union-busting (depending on one's perspective); what is happening is in fact much more contingent. Within the constraints set by market circumstances and relative power relations, there is a range of outcomes as more than one model emerges. Which model (if any) becomes dominant in the U.S. auto industry will be decided in the processes of initiative, conflict and negotiation currently underway between labor and management, both at the national and local levels.

In the remainder of this article, we will look at ongoing developments at four U.S. auto assembly plants, chosen for the major initiatives taken by management and the divergence of outcomes.<sup>2</sup> In two of these, NUMMI and Van Nuys, management's efforts have appeared to push toward a second scenario outcome (team concept, enterprise unionism), but in both cases the union has made its impact felt. NUMMI is widely regarded as a dramatic organizational success, while at Van Nuys the road has been highly conflictual and uncertain. In the other two cases, Lansing and Lordstown, homegrown versions of work reorganization are being developed, versions that include more in the way of traditional union protections (such as seniority rights) and in which the union has begun to carve out a more pro-active role. At Lansing, work reorganization has been surprisingly smooth and successful, while at Lordstown the outcome leans toward success but remains very much in doubt.

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2. The facts and interpretations presented in the next four sections are based on a reading of labor-management agreements, other union and management documents and publications, newspaper and trade press articles, a tour of each plant, and most importantly, a series of in-depth interviews and discussions, which I conducted from May, 1987, to May, 1988, with workers, union representatives and managers at each of the four plants.

### NUMMI<sup>3</sup>

Within one production and two skilled-trades classifications at NUMMI, workers are divided into teams usually of four members and one leader. The team leader, although a union member, is carefully selected and trained by management to play a genuine leadership role, coordinating work, checking parts and equipment, problem-solving, doing some repair work, filling in for absent members, keeping records, leading team meetings, looking for ways to encourage quality and productivity, and encouraging members to provide input. The team member usually rotates through at least two jobs and is expected to maintain high work standards and provide input into ways to do a better, safer and more productive job. Management has considerable flexibility in job assignment -- jobs are given to the most qualified (although these judgments can be rather arbitrary), with seniority used only to break a tie. Group leaders (first-line management) oversee several teams as facilitators and problem-solvers (at least in theory) rather than drill sergeants; and union coordinators (who are also full-time workers) are elected to solve labor-management problems on the shopfloor. With a just-in-time parts delivery system and cooperative labor-management relations (including union leaders who sit in regularly at management meetings and participate at various levels of firm decision-making), the system runs smoothly and efficiently with high productivity and high-quality output. The contract provides the workers with pay comparable to other UAW-organized assembly plants, as well as employment security except in the most adverse market circumstances. The firm (a Toyota-run GM-Toyota joint venture) has made good on this promise, even as sales of the Chevy Nova slumped badly in the past year (for reasons unrelated to the quality or cost of the product).

What should we make of this system, so different from the traditional U.S. auto assembly plant? My own impression is generally favorable. There is no disputing the

3. For favorable accounts of NUMMI see Krafcik 1987, and Stansbury 1985. For a more critical account, see Parker and Slaughter 1988, pp.100-22.

outcome in quality and productivity, and in the interviews I have done with NUMMI workers (including several with supporters of the more critical People's Caucus), I have yet to hear anyone say they liked the old GM system better (most current employees are former workers from the old GM plant on the same site which closed in 1982). People like the fact that they are treated with respect, can take pride in a high quality product, work in a clean, efficient environment, and often find their input and concerns actively solicited. Team leaders in particular are grateful for the opportunity to have more than just a job.

On the other hand, this is clearly no "utopia" for the workforce (as a GM Technical Liaison Coordinator claimed in a meeting of the Society of Automotive Engineers in Berkeley earlier this year). The People's Caucus built itself into a strong opposition within the union and a visible force in the plant around four issues: the pace of work and the constant pressure to work harder; the very close collaboration between union and management (they are indistinguishable goes the critique, and the union no longer provides strong representation for its members); favoritism in the assignment of training, off-line jobs and special projects; and a union that is not run democratically by its elected leaders (with too many closed-door meetings and deals made between union and management).

The extent that these charges are true is a subject of lively debate within the union and workforce, and the way in which these issues will influence the future shape of work organization and industrial relations at NUMMI remains to be seen. What is remarkable, I think, is that many supporters of the People's Caucus are also supporters of NUMMI who see their role as striving to improve the system (by making it more humane, more democratic), and that NUMMI is blessed by a lively union/workforce debate at this Toyota-run plant, whose management clearly aimed for and would be more comfortable with a tamer enterprise union.

What is the basis for NUMMI's success in reorganizing work? GM managers like to point to the "significant emotional event" (in the words of NUMMI's general manager) as

workers faced two years of plant closure and then returned humbled and grateful to their new jobs. But while this may or may not have been a necessary condition, it clearly was not a sufficient one. Other plants have been closed and then reopened without nearly the same kind of organizational success. What is critical is what the workers faced when they returned to work, and at NUMMI they found jobs and conditions that in many ways exceeded their expectations of life in an auto plant. The key to NUMMI's success lies in the structure and policies of management, and especially the approach to the workers taken by management from top to bottom: the emphasis on garnering input, treating people with respect, gaining consensus within the organization, offering tangible and unusual benefits such as employment security in return for worker and union cooperation, and successfully winning over and incorporating into the process key union leaders.

But the system in practice at NUMMI is not exactly the one envisioned by Toyota management. Lively local union politics demonstrate one deviation, with the clear potential to push organizational developments down a new path. Another example is NUMMI management's position in early contract bargaining that no full-time union representatives would be necessary in a consensual labor-management system. The UAW bargained hard on this one and earned the right to have fifteen full-time representatives, in addition to the many shopfloor union coordinators. Although the Administration Caucus union leadership has not yet projected a strong, independent vision of where work organization should be heading at NUMMI, this is not by any means a docile enterprise union. NUMMI's success so far has rested very much on the ability of management to provide a system of work and rewards that has held the loyalty of the majority of the workforce and union leadership.

### Van Nuys<sup>4</sup>

One plant where GM management has invested a major effort to adopt the lessons of NUMMI is the Van Nuys assembly plant in Los Angeles, California. But the experiment is so far in big trouble, facing major problems from two directions, in the workforce and union, and in middle management. While a team system modeled after NUMMI has been implemented throughout the plant on both shifts, no glowing productivity, quality or cost improvements have yet been advertised, and from every account the plant faces a continuing rocky future for labor-management relations and the team system.

The Van Nuys plant mass-produces Camaros and Pontiac Firebirds, about 200,000 a year. These are cars that sell for about \$20,000 and thus occupy a "specialty niche," a market fact that might seem to make the plant a more conducive target for multi-skilled and multi-task team organization. In 1985, GM reassigned an energetic, "rising star" plant manager named Ernie Shaefer, from the innovative Fiero plant in Pontiac, Michigan, to take over at Van Nuys. In 1986, Shaefer negotiated a new "team system" local agreement with the shop bargaining committee (including drastic job classification reductions and increased managerial flexibility of job assignment); the new contract was presented as a way to improve productivity and quality, and convince GM headquarters that the Van Nuys plant was worth keeping open. On a first vote, the rank and file rejected the agreement, but on a second vote, with the heavy threat of plant closure hanging in the air and the second shift on layoff, the agreement passed by a small margin.

In the fall of 1986, GM announced that the Norwood, Ohio, assembly plant, the only other plant producing Camaros and Firebirds, would be closed (it had been clear for quite some time that one of these plants, Norwood or Van Nuys, would close), and management moved to implement the team system at Van Nuys. With the help of \$20 million from

4. For a detailed account of labor-management relations at Van Nuys from an engaged, political point of view, including a highly critical interpretation of the team system, see Mann 1987. For other perspectives on the team at Van Nuys, see articles in the *Los Angeles Times* (e.g., March 12, 1987, Part I, p.28, by Richard Paddock; August 18, 1987, Part IV, pp.1,22, by Harry Bernstein).

California's Employment Training Panel, a training program was set up. First, 125 instructors were selected from the workforce and taught to be trainers, then 1100 team leaders were selected and trained for ten weeks each (in the team concept, work standards, consensual leadership, human resources), and finally in May, 1987, the entire remaining workforce on both shifts received seven days of training, and the new system went into effect.

In early June, however, hotly contested local union elections resulted in the ouster of the pro-team shop chairman and his replacement by the long-time, popular local president who had opposed the new agreement (and this election was also decided by a close margin). The new shop chair proceeded to pull the union out of all the joint labor-management committees that had been set up to administer and facilitate the new system. It was too late to turn back the clock on the team system -- the earlier agreement had been signed and ratified and the team system was in place, if only for a very short time. But the team system that remained through the next year was now very much management's project, without consensual industrial relations and with only the reluctant participation of much of the workforce.

Management attempted to move around the new shop chairman and his allies by drawing whoever would participate into the joint processes: bargaining committee members, team leaders, the new local union president, union officers appointed by the International. In this effort they had some success, as the team system stayed in place and joint discussions for implementation and facilitation of the system found new life. The pro-team local president became the leader from the union side of efforts to make the reforms work and to push management to live up to its promises regarding new dignity and respect for the workers. But the difficulties and instability (and perhaps dubious legality) inherent in moving around the democratically elected shop chair (the top union officer in the plant) are obvious. Tension reached a high point in the spring of 1988 in a rapid-fire series of

events: the firing by management of the shop chairman (for allegedly lying about past absences), management's unilateral outsourcing of the cushion room (at a cost of 130 union jobs), and the reassignment ("promotion") of the plant manager. The first two of these events were certain to engender a backlash on the shopfloor and can hardly contribute to the atmosphere of trust that team systems require, and the third leaves supporters of the team concept twisting in the wind, uncertain about management's commitment to work reorganization at Van Nuys.

What accounts for the difference between NUMMI and Van Nuys? One common view, especially in management circles, is that because the plant was never closed, the workforce didn't suffer enough to be willing to embrace the new system. But this argument is flawed: workers at Van Nuys have in fact suffered through considerable uncertainty and dislocation. The entire second shift (half the workforce) was on long-term layoff, some of the workers were recent transfers from other plants that had closed, and everyone had experienced the years-long threat of plant closure (GM Van Nuys was prominent on the list of plants considered for permanent shutdown for several years). Management was able to get majority acceptance for the new plan and had a golden opportunity to solidify a pro-team system base in the workforce through its extensive training programs and initial team implementation.

Another interpretation offered is the strong organized presence of union militance at the Van Nuys plant. Union representatives and workers had organized an impressive "Labor-Community Coalition," several years in the making, to keep the plant open in the face of GM's closure threats (rounding up politicians, church and community leaders to support a boycott of GM products in the L.A. market if the plant closed). But again this argument fails to hold water: it is based on the assumption that union militants will necessarily oppose "class collaborationist" systems of cooperation. In fact, a number of Coalition activists and supporters became team leaders and supporters of the new system,



and at NUMMI, it is former union militants from the old GM plant who today head the cooperation-oriented Administrative Caucus.

Both of these arguments focus on resistance in the rank and file, and indeed there has been much opposition, based ironically on a de facto coalition between left-leaning activists opposed to cooperation with management (especially on management's terms) and more conservative and traditional older workers concerned about preserving seniority rights. What both of these forces have in common is an understandable wariness about what they perceive to be management's drive to weaken traditional union protections and bases of strength with only doubtful promises and informal input offered in return -- that is, management's apparent drive in the direction of enterprise unionism. Even the pro-team union leaders seem to spend much of their time pushing and arguing with management to live up to the "humanization" promises of the new system, a fact that hardly helps to win over the opponents.

A better interpretation emphasizes management's failure to reorganize itself more adequately for the tasks at hand. The critical difference between NUMMI and Van Nuys is the presence at NUMMI of a whole new management approach, strategic orientation and human relations focus. Management at Van Nuys saw to it that the instructors and team leaders were trained, saw to it that the workforce was trained (although too minimally), but overlooked substantial screening and retraining for front-line supervisors (group leaders) and other middle managers. Because foremen in the auto industry have traditionally been drill-sergeant types, either a whole new breed is needed or else middle managers need extensive retraining and a vastly reformed approach to the workforce (to elicit trust, input, cooperation, and active participation in the new system). The view I heard from both NUMMI visitors to the Van Nuys plant (sent down by GM and the UAW to assist reform initiatives) and Van Nuys workers was that management was asking for a major

transformation of worker attitudes and job descriptions while shopfloor management often kept to the same old authoritarian styles.

Why is traditional management so intransigent? This is an important question because the pattern is widespread throughout U.S. auto plants and U.S. industry in general. Is it particular American managerial values, the entrenched "no one tells me how to run my business" culture? Perhaps, but I would prefer to focus on the political opportunities for the continued expression of such values, which are not peculiar to the U.S. but have shown up strongly in other societies such as France and Italy. Here I would point to the importance of two key variables: because labor was unable or disinclined in the past to break through into firm decision making, managers have no history of sharing such processes with workers and unions. And because the labor movement is fragmented, an aggressive managerial posture is both viable and predominant throughout U.S. manufacturing in the current period of ongoing work reorganization.

## Lansing

Work reorganization in the auto industry in Lansing, Michigan, has received considerable attention in trade journals and even in the national press in recent years, mainly for two reasons. First, the Reatta Craft Center has been hailed as a new model of non-assembly line group production using skilled workers. While there are no doubt things to be learned here, organizational innovations possible in the small production runs of an expensive, specialty car (the Buick Reatta) are not widely applicable to mass production, still by far the dominant form of auto industry production. Secondly, around 1985, a series of articles appeared praising high technology innovations in the largest GM Lansing plant (BOC North and South), which had just been changed over to produce new model Oldsmobiles, Buicks and the Pontiac Grand Am. In particular, writers noted the decline of the assembly line and its replacement with Automatic Guided Vehicles (AGVs), which brought work to each station and allowed the worker adequate time to do his job, inspect the work done and pass it along.

By 1987, most of the AGVs were gone, booted out of the factory by management for excessive downtime; and the assembly line was still very much alive. But this sprawling facility (known in Lansing as Plant 1, the largest of the six Lansing auto plants -- known also as Lansing A and B, or Lansing North, South and Center) is deserving of notice now for another reason: for the successful development of a homegrown model of work reorganization and cooperative industrial relations that has significantly boosted productivity and quality of output.<sup>5</sup>

At Lansing, workers are organized into teams of 10-25, each led by a full-time bargaining-unit team coordinator (TC) selected by seniority. The TC is responsible for knowing all the jobs in the team, facilitates, checks on parts, equipment and quality of

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5. These developments at Lansing, in contrast to the Reatta and AGV stories, have not received the press and analytic attention they deserve. For one exception, see *Automotive News*, April 29, 1985, pp.6,18 (Marjorie Sorge, "GM and UAW a team at Lansing").

output, and fulfills many traditional supervisory functions. Participation in weekly team meetings is voluntary but popular, with interest high in the ongoing discussions of problem-solving, production and quality improvements, labor-management relations and general business developments. For many years, Lansing has had a relatively low number of job classifications, but several people at the plant emphasized to me that it was not the number of classifications that was critical but rather getting people to work together as a team. There does seem to be a pervasive process at work, from team meetings to various levels of joint labor-management committees, in which workers actively participate in discussions and decisions regarding productivity and quality improvements, set within a climate of trust. And overlying the innovations and continual improvements in work organization is a consensual labor-management relationship in which union representatives are drawn into discussions and decision-making right up to the plant manager level. There is very much a productivity coalition at work in Lansing.

What is remarkable is that these successful innovations have been made without following the NUMMI model, that is, without a number of elements usually considered necessary for the success of team systems: the weakening of seniority rights in job allocation, a major emphasis on the reduction and standardization of job classifications (although Lansing started out with fewer to begin with), employment security promises (contractual or informal), job rotation, pay-for-knowledge (which NUMMI doesn't have but which is in place at several team-organized plants), or the "significant emotional event" (plant closure or the prolonged threat of closure). Rather, the changes at Lansing have developed over several years in a climate of trust in which a stable union leadership has encountered a management that seems genuinely committed to workforce and union participation in firm decision-making.

Lansing, in fact, is quite conscious of itself as an alternative to NUMMI. I heard a comparison here of one Japanese management approach to consensus, in which top

management makes a decision and then groups of lower managers and workers discuss it until they all agree with that decision, with a more genuinely participatory approach. The claim at Lansing is that workers, lower-level managers, and union representatives are consulted before decisions are made and are encouraged to participate in the decision-making process itself, from minor shopfloor decisions to strategic planning at the level of the plant. And workers and union representatives at Lansing appear proud that they have made successful changes without giving up traditional seniority rights or independent union strength. While not as productive as NUMMI (24 worker-hours per car compared to 19, according to one UAW assessment), Lansing has made major improvements in the past few years in a non-greenfield plant, to bring it up close to the NUMMI performance range.

Lansing thus presents itself as an alternative model of successful work reorganization, one that may be more generally appropriate than NUMMI given established features of industrial relations and work organization in the U.S. auto industry. The comparison with Van Nuys is instructive. There management intervened in union politics in a controversial way, using threats of plant closure to convince slightly more than half the workforce to accept a NUMMI-type system; the price of this heavy-handed approach has so far been backlash and resistance on the shopfloor. At Lansing, by contrast, the union and workforce were brought into discussions in a more comprehensive, open and less heavy-handed way, with a much more favorable outcome for productivity, quality, and the tenor of labor-management relations. The repercussions are clear: when at Van Nuys management offered an innovative layoff agreement (during last winter's volume reductions) designed to share the burden and benefits between those with low and high seniority, workers responded with distrust and required two votes and a bitter political debate before they narrowly accepted the package; at Lansing, by contrast, the obvious benefits of a similar package for the entire workforce (including time off with 95% pay for high seniority as well as low seniority workers) were quickly recognized and the plan passed by 90%. At Van

Nuys, management's initiative was perceived by many as another attack on seniority rights; at Lansing, where seniority rights are not subject to debate, the package was perceived for what it was: a boon to the workers as well as to plant production (because by alternating shifts on layoff the plant could keep its teams together -- which was the same reason management at Van Nuys wanted the package).

We have already heard of the recent unilateral management decision to outsource seat production at Van Nuys, at a cost of 130 jobs. Lansing also came under pressure from top GM management to cut costs by outsourcing seats. But at Lansing, management took the problem directly to the union and to the workers in the cushion room, initiating a months-long series of discussions and brainstorming sessions; as a result, the workers themselves came up with a plan to reorganize, cutting a few jobs to save the rest. Management accepted the proposals, found new assignments for the few displaced, and now claims it will keep cushion-room production in house in spite of corporation-wide pressure to outsource.

Acceptance of the changes at Lansing is indicated by the absence of substantial opposition to the dominant Unity Caucus in the local union. While the Solidarity Caucus challenged for power in the early 1980s, it has by now almost dropped out of sight. Both union and management appear to have taken a patient, persuading, non-authoritarian approach to the workforce, with positive results. In 1986, for example, workers wary over the pressure inherent in the sudden implementation of a team system voted to accept the teams but make participation voluntary. As a result, participation dropped to 30%. But neither union leadership nor management responded with stepped-up pressure and a second vote (as is so common at other GM plants). Rather they set out to persuade workers of the voice benefits of genuine participation, with the result that the voluntary participation rate is now in the 80-90% range.

Critical to Lansing's success has been the innovative approach of management. Led since 1985 by Frank Shotters, a self-proclaimed "participatory manager," plant management has been cut back from seven levels to four to enhance direct communication and clear responsibility, management staff meetings are open to the union, and managers at all levels have gone through screening and retraining to replace authoritarianism with a new participatory approach. Offered genuine worklife-enhancing reforms without a major assault on traditional protections and union bases of strength, workers and union representatives have responded by supporting the new system.

### Lordstown<sup>6</sup>

The GM J-car plant at Lordstown, Ohio, producing Chevy Cavaliers, offers another homegrown variant of work reorganization, not as successful yet as Lansing but showing strong potential nonetheless. Even more explicitly than at Lansing, Lordstown offers itself as an alternative to NUMMI.

Lordstown is a fascinating plant to look at: in the 1970s, "wars" (as managers and workers today refer to them) took place here as a young 1960s-generation of workers confronted the speed, brutality and authoritarian management of assembly-line work, in a showplace, fast-paced, high-technology plant. Today these same workers, a decade or so older, and many of the same managers, are aiming toward a new model of labor-management cooperation. Beginning in the early 1980s, discussions between plant management and veteran shop chairman (and former militant) Al Alli laid the groundwork for a new approach. As Alli puts it, management took the initiative, the union responded, and a gradual process of building trust began, based largely on the understanding that market circumstances were likely to wipe out both sides. Various joint programs were set up and discussions intensified in 1985 and 1986, culminating in a local agreement aimed at reorganizing work.

Job classifications for production workers were reduced from 116 to 35 (still a large number compared to one at NUMMI) and a new understanding was reached on flexibility for skilled workers in crossing traditional craft lines. A group structure (words like "team" and "team concept" are taboo at Lordstown) was set up for the plant; groups of about 15, based on voluntary participation, are led by group coordinators, selected by seniority. All group members have so far had 120 hours of training (in communication, human relations, world economics and the like); in addition, while each worker has a base job, he or she can learn

6. For a classic account of the earlier battles at Lordstown, see Aronowitz 1973. On the more recent, contrasting developments, see Ward's *Automotive World*, August, 1985, pp.49-51 (John D. Oravec, "Lordstown"); and *Los Angeles Times*, June 10, 1987, pp.1,18-19 (James Risen, "Age Eases 'Blue-Collar Blues' at GM")



seven more jobs in the group to qualify for a higher rate of pay. As yet there is no job rotation at Lordstown, but this will be left up to the groups in the future. Along with the group structure is a dense network of joint labor-management committees and discussions, in which workers appointed by the union serve in full-time positions such as training, competitive assessment and strategic planning for the plant.

As indicators of the new relationship at the plant, both grievance and discipline rates are down substantially in the past few years. And as at Lansing, management responded to cushion-room outsourcing pressure from headquarters by taking the problem to the workers. Joint teams of workers, union representatives and managers have flown around the country visiting cushion rooms and outside seat manufacturing plants, to study best-possible production. Management at Lordstown has made a commitment to keep 160 cushion-room jobs in house.

What accounts for the dramatically changed relationship between labor and management that has made new work organization possible? Press accounts tend to focus on the fact that these formerly militant workers are older now and have families and mortgages. While this may be part of the story, the same thing is true at auto plants all over the country, with wide variations in plant-level outcomes. And the same critique applies to explanations that emphasize increasingly competitive market circumstances, which at Lordstown have had the effect of throwing labor and management together. A fuller explanation requires looking at the ways in which management has reformed itself, attempting to root out one-sided command leadership and replace it with a more collaborative approach. As management has done this at Lordstown, union leaders and many workers have responded, becoming active participants in plant operations and decision-making.

But just as management can take substantial credit for a reformed relationship with labor, entrenched drill-sergeant-type supervisors (who are supposedly now "advisors" for two

or three groups) undermine the experiment. In union elections in May of this year, the incumbent leadership cited persistent shopfloor boss problems as a major factor strengthening the opposition. In fact, union politics have always been lively at Lordstown. When the 1986 agreement was ratified by the workforce, it received a 57% yes vote but faced strong attacks from an opposition that denounced collaboration and the "team concept in disguise." In the 1988 elections, an opposition slate (based both on the older militant tradition and a newer conservative view) again campaigned against the groups and the whole collaborative process, charging the incumbents with being in bed with management and assigning the new "cushy" joint-type jobs on the basis of favoritism rather than seniority. After a lengthy, hard-fought campaign viewed by both sides as a referendum on the new organization and labor-management relationship, Ali and his slate were returned to office and the process continues.

The Lordstown plant (like the Van Nuys plant) is still very much in transition and the changes are new. GM has excess capacity throughout its manufacturing operations, and with two other plants producing J-cars, Lordstown workers continue to fear for the life of their plant. Productivity and quality have yet to show dramatic improvement in the wake of the 1986 agreement. But if market circumstances and top GM brass permit the plant to keep and/or boost capacity, Lordstown appears well on the road to successful performance and a new model of work organization that incorporates the union and workforce while retaining seniority rights, multiple job classifications and a strong union role.

## Conclusion

There are different roads to new social organization in the U.S. auto industry, just as there are various models to choose from. At NUMMI, Toyota management set up a successful model of work organization that quickly became the yardstick against which to measure other efforts. But attempts so far to apply the model in established settings, such as at Van Nuys, have met with problematic results. Managerial initiatives have encountered legitimate union and workforce fears that management is not serious about reforming its own traditional authoritarianism and instead is driving toward enterprise unionism, marked by a tamer union and the weakening of established rights and protections for workers. At Lansing and Lordstown, by contrast, homegrown models of work reorganization have been initiated, models that incorporate some elements of the NUMMI model but whose changing shape remains the subject of ongoing negotiation and union and worker participation. In these cases, protections such as seniority rights and voluntary participation in groups are retained, and the local union continues to play a strong role even as it integrates itself into plant-level decision-making. It may well be that these homegrown models are more suitable for unionized American settings, both for industry adjustment and for the prospects of union influence.

Although the stories told here are about one joint venture and three GM assembly plants, this is very much a story of the entire U.S. auto industry. Chrysler, at several of its plants, has negotiated and is on the verge of implementing "modern operating agreements," based on team organization and cooperative industrial relations. Even Ford, whose plants have been humming along at high capacity, has seen the future in the productivity and quality superiority of Japanese-run plants, such as Mazda's new plant at Flat Rock, Michigan. In the wake of the 1987 contract, Ford is now pushing toward team forms of organization in many of its plants. Although U.S. auto firms need to change many things in order to regain lost competitiveness -- such as product designs, the fit between product and

process, capacity utilization, supplier relations -- the reorganization of work is high on the list.

And if work reorganization is critical for the future success of the U.S. auto industry, the stories told here offer both hope and cause for concern. Successful reorganization in established unionized settings clearly requires bold managerial initiatives, both to reform its own traditional authoritarianism and to incorporate the union and workforce into firm decision-making. In the absence of even more severe market disaster, government intervention, and/or union clout sufficient to push change in the appropriate direction (as unions, for example, in Sweden and West Germany, belonging to more cohesive labor movements, are better placed to do), it is questionable whether management will move decisively in appropriate directions. For every NUMMI and Lansing shooting out of the starting blocks, there are several stalemates stumbling along face to the ground. Policy implications for management are that it is now possible and perhaps imperative to move beyond stalemate at the plant level, not to defeat or marginalize the union but to incorporate it, not to use new technologies and market-based bargaining strength to subdue and control workers but to draw out worker participation, not to offer up merely the trappings of humanization but to move decisively away from the authoritarian managerial tradition.

And for the future of union influence, prospects are likewise uncertain. At all of the plants considered here, local unions (usually with the backing of the International) play an important role, especially along new dimensions of union voice. But is the coalition of local and International union strong enough to enforce managerial promises regarding the workforce benefits (such as active worker participation) of work reorganization? Will the spread of the NUMMI model also mean the spread of enterprise unionism -- very much part of the Toyota way? And do these multiple models push toward the fragmentation of the UAW, as locals go their own way? So far, the International has been very much involved in negotiations at most innovative plants (with Lansing a partial exception); but in the absence

of a cohesive labor movement and society-wide union clout, can the International hold together its strong but increasingly diverse national union in the face of future managerial challenges at the plant level? While International and local union leaders alike have shown considerable interest in and support for new working arrangements, the future of union influence remains very much dependent on the ability of the UAW to organize plant-level, industry-level and national-level union clout. For the union, policy implications of this analysis are to continue to promote work reorganization, without necessarily giving up many traditional protections such as seniority rights (as management has often demanded); to actively promote its own vision of work reorganization, one that includes a substantial commitment to union and worker participation; to promote inter-plant communication and coordination of strategy, to keep current changes from fragmenting the union and as a way to increase pressure on management to live up to the human-side promises of reorganization; and to work actively within the AFL-CIO for a more cohesive labor movement.

For government policy, the implications are less clear in our non-interventionist political climate. But certainly government could do more, beyond the current capacity of the small Bureau of Labor-Management Cooperation within the Department of Labor, to spread education about work reorganization into managerial ranks. Short of a full-blown industrial policy, government could easily promote active tripartite discussions at the national and sectoral levels. And national and state governments could continue to expand funding and incentives for training and retraining (including intra-firm training for work reorganization), and could expand the safety net for displaced workers. Finally, and most controversially, government could use its own incentives and influence to promote a more cohesive labor movement, one that could perhaps turn the tide against union decline and begin to rebuild a countervailing force against management's reluctance to turn decisively away from an increasingly inappropriate authoritarianism in the American workplace.

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