

INTERVIEW

ADVISING JAPANESE FIRMS ON U.S. LABOR PRACTICES

Thomas Nevins established *Technics in Management Transfer Inc. (TMT)*, a firm specializing in labor and human resource consulting, in 1978. Prior to that, he worked in Japan as a consultant in Japanese labor unions, companies, and government offices. In this interview with *Focus Japan*, he talks about his recent book, *The Complete Handbook of U.S. Personnel and Labor Relations Practices for Japanese Corporations, and his activities in Japan.*

Why did you decide to write your handbook on U.S. personnel and labor relations practices?

Japanese investment in the United States has increased dramatically in the last couple of years. In fact, there is more Japanese investment in the United States than in any other country. Surveys have shown that Japanese companies feel the most anxiety when dealing with the area of labor management and unionization by American unions. I thought I could add an interesting dimension to my labor and human resource consulting business by publishing a practical manual for Japanese corporations. Through this work I hope to steer the Japanese away from exports into more direct investment in the United States.

Isn't one of the underlying themes in your book the idea that Japanese managers should not place as much trust in American workers as they do in Japanese employees?

No. That is not true at all. I think one of the faults of American management has been a lack of faith in the ability and commitment of rank and file workers. When people feel they are not being depended upon and they are not given discretionary authority, you end up with a self-fulfilling situation in which some workers might not perform with the quality and style of Japanese workers. I heartily encourage Japanese management to fully trust American workers. If they do, they will be rewarded with greater productivity.

One of the reasons for the high productivity of Japanese workers is said to be their ability to work together and to perform many types of jobs. Can Japanese managers expect this



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from American workers?

I would like to clear one thing up. Essentially, the individual Japanese worker is no more productive than his American counterpart. I have never believed that the Japanese work especially hard. Rather, I think the key to success here is that they do work together and a good start is having everyone working in the same room together side by side, from a department head, who may be on the board of directors, to the green recruits fresh out of the schools. A worker does not have much control over the production process, and if American manufacturing productivity is low, the blame lies almost exclusively with management, which has failed to create the type of workshop atmosphere and assembly design that has made such a big difference in Japan. I think Japanese managers can pretty much expect the same performance from American workers as from Japanese workers, but they must make an effort to cultivate the proper attitudes as they have done here in Japan.

Would you recommend that Japanese companies investing in the United States implement Japanese-style management there?

For the sake of convenience, even specialists in this field tend to speak in terms of Japanese-style management. Actually, though, there is very little that is traditional or uniquely Japanese amidst the complex management and human relations interactions which have been showing such good results in Japan. Maybe a better name for "Japanese-style management" would be "good management practices that work." There are many innovative and productive corporations in the United States, both large and small, that rival the best Japanese companies

in terms of autonomy given to employees, participative management, minimal product return and scrapping costs, as well as low absenteeism and high work motivation. There are American firms that have a full array of employee facilities and a people-first orientation. Any worker in any country will respond to this people-oriented management style, and it just so happens the Japanese have been applying these obvious common-sense concepts more effectively than American firms.

The largest and most successful Japanese companies in the U.S. are still employing, at the most, several hundred workers. Can a large Japanese company, for example an auto maker hiring several thousand workers, be successful in its labor relations?

Certainly. As you know, it is the largest companies in Japan that have the greatest productivity and the smoothest labor relations, partly because they are able to offer lifetime security employment. Certainly Japanese management has demonstrated that it can handle large-sized organizations. Let me also point out that some large American companies like IBM have never been unionized and have excellent labor relations. In general, I see no barriers to smooth labor relations in large-scale Japanese operations in the United States.

What are your business activities in Japan?

There is a funny thing about labor problems. Most foreign managers don't really think about their labor situation until a crisis breaks out. I usually find myself operating as a trouble shooter on an ad-hoc basis, solving crises which suddenly flare up. In the last month or two for example, I have been able to help clients avoid disruptive and permanently damaging law suits which they probably would have lost in such troublesome areas as employee dismissal, split-union organization drives, impending strikes, employee refusal to transfer, or the company's inability to pay bonuses. Other than solving specific crises, some of the more far-sighted American firms are beginning to call me before problems break out or even before they enter the Japanese market to insure that they do not make irretrievable mistakes in the areas of setting up compensation and salary packages, staffing policies, and work rules. ●