

Production schedules: struggles in the auto sector

by *KARL VON HOLDT*

Volkswagen attempted to raise production schedules in its press shop, while Nissan docked the pay of workers when production schedules were not met. Workers responded with strikes and walk-offs in both plants, forcing management to back down. At the heart of the dispute is a struggle over whether production schedules are negotiated or are unilaterally imposed by management.

After a thirteen day strike last year, employers agreed to a moratorium on all retrenchments in the industry, while NUMSA agreed to make up production schedules where these had not been met due to unprocedural industrial action. If workers failed to do this, the company would have the right to waive the moratorium on retrenchments.

In the view of NUMSA official Gavin Hartford, the moratorium on retrenchments has put enormous pressure on management to find new ways to increase profits. "The industry itself is under pressure. Now that it is regulated by our agreements on retrenchment, we've experienced attempts by management in different ways to speed up and change production processes. They are trying to recover the same kind of profitability that they would have had without the agreement."

Volkswagen raises schedules

In Volkswagen last year, management tried to increase the production schedule in the press shop. When workers did not meet the new schedule management argued that this was un-procedural industrial action and threatened to dismiss them. The union demanded the right to do its own time and motion study. Management refused.

The company declared a dispute against NUMSA on 5 November last year and dismissed 39 workers in mid February for failing to meet the production schedule. The union balloted 8 000 VW workers on strike

action. On 13 March this year management and the union reached agreement after protracted negotiations marked by "a number of stoppages - just walk-offs".

The company agreed to reinstate the 39 dismissed workers. The National Productivity Institute (NPI) will be called in to do a time and motion study, to set schedules that both the company and the union will abide by. Of more long term significance, the agreement states that the company plans to upgrade facilities in the press shop and that it will consult with the union on new and revised schedules. It also commits both parties to negotiate a new shift configuration in the press shop.

This aspect of the agreement may open up new areas for negotiation - or conflict. According to Hartford, workers made a range of proposals for re-organising work and technology in the press shop. Management has shown interest in one of the proposals - to put new scrap chutes on the presses. Currently workers have to unload the scrap bins themselves and throw the scrap into a loading bin. Scrap chutes would help improve the output. "It looks like management may want to do this," says Hartford. A proposal for new shift configurations also came from workers.

Nissan cuts wages

At Nissan, management tried to force workers to reach targets by cutting their wages. When a particular department only reached 60% of production targets, management paid workers

only 60% of their wages. This conflict led to a eight day shut down of the Nissan plant in Pretoria.

In November last year a memo outlining the new pro rata deduction of wages was introduced to workers in the mechanical area. Prior to this the lines had been speeded up "dramatically". When workers objected, Nissan used the same argument as VW, ie workers were on go slow and could be retrenched.

The Nissan conflict became part of a bigger dispute over green areas, which are a Japanese management technique. Workers and foremen in each section of the plant meet together in their green area for ten minutes every morning before the plant is started up. They discuss the previous days production and try to solve problems.

According to Hartford, this year management tried to introduce a new set of disciplinary rules through the green areas without negotiating them with the shop stewards. The new rules included the regulation on pro rata deduction of pay for lost production. In response, workers boycotted the green areas, went straight to the production lines and started the machines. Management then shut the plant down.

Hartford says: "The green areas in fact collapsed. Management realised that this was going to kill the green areas as a concept completely." The strike/lockout lasted for eight days while the union and management negotiated. Eventually management agreed to withdraw the new disciplinary document and the plant started up again.

Opening the doors?

The militant organisation and action of workers has prevented management from unilaterally imposing higher schedules in Nissan and Volkswagen, but will it lead in the direction of negotiating production schedules?

The VW agreement will lead to a form of arbitration rather than negotiation. However, Hartford points out that this is the first time in the industry that NUMSA has been able to win the right to even check the schedule of an employer. "The agreement explicitly says that

the use of NPI won't be a precedent. This agreement will open the doors to negotiate what a schedule is going to be in the future." But it looks like opening the door will still be a battle. In a survey of auto employers, all agreed that it was "unacceptable" for the union to have a say in production schedules at this stage (*Business Day*, 28/2/92).

However, developments at Volkswagen hold interesting possibilities. Hartford says the company is talking about training some of the shop stewards for three years in an industrial engineers programme. "We would have industrial engineers in our shop steward committee, accountable to us, who would be able to check schedules, work organisation, shifts and other things."

The auto companies are trying to penetrate international niche markets. The floor panels being produced in VW's press shop, for example, were destined for export to VW's plant in Spain. VW has also won an export order of 5 000 Jettas for China. Employers believe the industry must be competitive internationally to survive, which is why they are trying to step up productivity.

Having run into a brick wall in trying to impose production schedules unilaterally, employers may now be more open to negotiating productivity improvements with the unions. Hartford believes that there are indications that employers are prepared to re-look at this issue.

But a pre-condition for co-operation on this kind of issue from the union is job security for its members. With most manufacturers working short time, employers are under pressure to cut the work force.

At this year's wage negotiations within the National Bargaining Forum (NBF), NUMSA will seek to extend the moratorium on retrenchments agreed last year. According to Finance Week, "Extending this moratorium is a battle that NUMSA is most likely to lose, paving the way for up to five thousand jobs to be shed" (*Finance Week*, February 27 to March 4, 1992). If so, the militant auto-sector is likely to see heightened conflict, and co-operation on production issues receding. ☆