Chapter 12

EEO and Workplace Reform at Nissan Australia

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Nissan Australia is a medium-sized motor vehicle manufacturer, with a casting plant, engine assembly plant, and vehicle assembly plant in Victoria.

It has 3000 people and 75 nationalities, and 85 per cent of the workforce is in eight unions. Nissan publishes material in five major languages: Spanish, Cantonese, Vietnamese, Cambodian, English and Yugoslav.

The case of Nissan Australia is best understood when set in the context of its organisational goals and workplace reform program. The paper will outline what Nissan did to ensure that women in the workforce benefited from the changes made.

The external conditions that influenced change at Nissan included the forging of tri-partite agreements, involving government, unions and employers; the restructuring of awards, linking pay to skills; the lowering of tariffs, 35 per cent to 15 per cent over a 10-year period; the introduction of the training guarantee levy, 1 per cent of payroll for companies with payroll over $200,000; and, the pressure to be internationally competitive. Other pressure for change stemmed from internally set targets to be achieved within three years: a 50 per cent volume increase, 20 per cent production cost reduction, the achievement of export quality standards and significant falls in labour turnover and absenteeism.

Workplace Reform Program

In 1989 the workplace reform program and affirmative action policies were put into action. Nissan believed that however good its robots or computers, its competitors could buy ones just as good. It believed that its “competitive edge” rested with its people. For, in the final analysis, people make cars and ultimately generate the productivity and quality needed for competitive success.

How did Nissan start the change process that, in April 1991, led to it being honoured with winning the Portfolio Affirmative Action Award for outstanding initiatives? Nissan formed a Workplace Reform Task Group responsible for implementation of all aspects of the change process and included the EEO officer as part of the Group. Nissan considered that this was a marvellous opportunity to remove the barriers to change, which had restricted opportunities in the workplace. There were barriers based on stereotypes of women’s role in the workplace, and of stereotypes based on age and nationality.

The workplace reform program concentrated on the following:
1. Team development, redesigning jobs to emphasise team work and responsibility rather than fragmentation of tasks and isolation of people in the workplace
2. Through a skills audit and assessment, a comprehensive program of training and development leading to the newly established Vehicle Industry Certificate
3. Changing the structure of the organisation, to create a flatter hierarchy and, importantly, to emphasise co-ordination rather than control, and
4. Changing the assumptions, the program offered greater opportunities for genuine involvement and participation in decision making. Let me focus on three key aspects: teams, the skills audit and social factors.

Teams Concept

The teams concept was critical in the strategy not only to achieve corporate goals, but to re-design jobs and integrate women into non-traditional areas of manufacturing. Before award restructuring, operators had specialised in one particular type of job. For instance, in the body shop, there were metal finishers, welders, hemming operators or robot station operators. Nissan wanted operators to be classified according to the shop they worked in and cross-trained and multi-skilled. For example, an employee known as a body shop assembler could be re-located anywhere in the shop. This meant access to a greater pool of skills and allowed the shop to respond rapidly to changes in production volume and new model introduction.

Teams of between 6-10 operators were set up and women were integrated into the teams. Up until then women who were not able to work as a spot welder could not get a position anywhere in the body shop. The assumption made was that spot welding was a man’s job and women could not do that and therefore they were excluded from the body shop. This was detrimental to their progress which was based on acquiring as many skills and as much knowledge through the various shops as possible. Team members now have a collective role; they are encouraged to share work within the team on an equitable and
efficient basis.

This represented a major cultural change since it attacked stereotypically limited views of jobs, for instance those that said: “This is a man’s job - stay away”. By introducing the teams concept, the focus was on determining goals and the methods and action necessary to achieve them. The teams were invited to determine how the goals could best be met.

Teams were given real power to make changes in their own area. The teams concept worked because it enabled the company to achieve export quality and it led to the breaking down of job stereotypes.

Having set the framework, how did Nissan make sure that women were integrated successfully as team members and team leaders? After all, line managers were the ones who had to put the teams concept into practice at the workplace level. While Nissan, in line with the structural efficiency principle, required managers to implement measures to improve the efficiency of industry and provide workers with access to more varied, fulfilling and better paid jobs, the responsibility for implementation rested very much with line managers. Many of these were unprepared and untrained for such a role, especially in regard to affirmative action requirements.

Leadership Ability

The team leader was a replacement for the “old” leading hand role which was based on technical ability. The team leader was to be judged not only on technical ability, but importantly on the ability to build trust and mutual respect amongst members; an open style of leadership; a co-operative and joint approach to problem solving and the ability to be more a facilitator than a controller.

Nissan developed a team leader selection procedure modelled on the widely used form of employee appraisal called an “assessment centre”. The assessment centre allowed line managers to obtain as broad and objective view of the applicants as possible.

The assessment centre approach consists of first, a supervisor’s report. This is a two-page report filled in by the applicant’s current direct supervisor which includes the supervisor’s own assessment of the applicant; a record of the applicant’s skills level, and important personnel information. This report gives a picture of the applicant’s recent performance on the shop floor. Second, there is an interview of approximately 20 minutes duration carried out by a panel with each individual applicant. This gives the applicants an opportunity to communicate their ideas and feelings regarding both the team leader position and their career development. Third, a short paper and pencil activity is administered individually with each applicant in order to give an indication of the applicant’s numeracy and literacy skills. Fourth, group simulation exercises are performed with all applicants in order to indicate each applicant’s behaviour in group problem solving.

In order to achieve accuracy and objectivity, all evaluators are briefed and trained before commencing assessments. It is important that there is a shared understanding of the process and the type of applicant being sought. The goal of the selection process is to ensure equal opportunity for all the applicants. It takes approximately two hours to process each applicant, and a minimum of two hours to prepare the panel. The time and money spent in accurate selection of employees has proved well spent in assisting the planning and achievement of organisational goals. This objective process of selecting the best person for the job challenged the powerful “old-boys” network, the “I’ll look after my mate” syndrome, and it gave women the confidence to apply knowing they would be given a fair go in the assessment process.

Complementing this strategy, was the completion of the skills audit for every employee in the plant. EEO principles were applied to ensure that the assessment of skills and other qualifications was free of any gender bias. And to meet the needs of the multi-ethnic workforce, an interpreter was available at the time of the interview. The audit documented current skills, but also skills acquired elsewhere at Nissan, in Australia or overseas, and languages spoken. At the conclusion of the skills audit, training priorities and schedules for each employee were developed.

This process gave a clear signal to women at Nissan that they were very much part of the long-term plan to ensure that all employees had access to developing their skills and pursuing a career path in a fair and equitable manner. The process was explained to women and the multi-ethnic workforce in a number of ways. One of them was by producing a video with assistance from the Department of Industrial Relations. This encouraged employees to participate in the process of change. The video asked, “What’s in it for me?” The answers given were increased skills, greater flexibility and job mobility (previously denied to women who worked in “pockets” in the plant), career opportunities through
the newly created Vehicle Industry Certificate, a base trade qualification transferable across vehicle and vehicle component manufacturers, accredited training and new pay structures for team leaders and team members. A six-step career path was introduced where each of the steps of increased skills and job knowledge were linked to an increased pay level.

Nissan is therefore changing its culture and the way it does business. Women are now 25 per cent of the workforce and they make cars for a career.

Development of Strategy

The keys to Nissan's success have been the links between affirmative action goals, corporate goals and the goals associated with structural efficiency. Second, the appointment of a full-time multi-disciplinary group which was representative of management, unions and the workforce. The group was involved in the development of strategy as well as adequately trained to assist with the introduction of change. Third, the development of a staged approach to implementation and the use of pilot programs to test out the strategy.

The new industrial relations climate offered an opportunity for all groups to seek a co-operative approach not only to the major economic issues of the day, but also to important workplace reforms. Affirmative action was seen to be a fundamental ingredient of the new industrial relations scene. It was both part of the process of change and a means of achieving a more productive and satisfying workplace. This dual function is crucial to gain and maintain employer commitment. Employers will not, in the long run, implement affirmative action policies simply as a "way of doing good deeds". The close link to tangible benefits is most important.

The achievement of workplace change also requires attention to the external community. As one example, Nissan conducted a childcare survey in 1990. This covered 3,000 employees and the survey was in five languages, with interpreters to assist the interviews. The next stage was to work with community groups and local government authorities to develop long-term strategies to support and meet the needs of employees. The city of Springvale, for instance, provided a childcare centre specifically for Vietnamese people and Nissan advertised that service widely. The company is working with community based childcare centres to provide first-class equipment and play areas for children.

Nissan's message is that in order to retain and develop the workforce, and particularly women employees, it is necessary to focus not only on internal factors, but also external factors. That connection must be recognised and planned.

Nissan has found that the achievement of workplace reform and the integration of women in this process is difficult but not impossible. There needs to be a linkage of the reforms planned and an understanding of the external context. The opportunities are there for those organisations willing to be innovative and to negotiate with the stake-holders. The return sought, for Nissan, is improved performance and export quality motor cars.