

Labor-management relations in the automobile industry

Twenty high-ranking officials from government, labor ministries, labor unions, and the automotive industry convened in Tokyo, 18–22 November 2013. Representing seven countries from across the Asia-Pacific region, they attended the workshop on Labor-Management Relations with Special Focus on the Automobile Industry funded by the Government of Japan and organized by the APO and Japan Productivity Center (JPC).

As more companies expand overseas, it is imperative to take a global approach to labor-management relations and manage country-specific risks. How companies develop and maintain a strong relationship between labor and management is an important process that they see as mutually beneficial. There are labor and legal risks specific to each country, and it is vital that companies proactively identify and manage these risks. They should focus on strengthening human resources management to increase employee satisfaction. In this context, participant from Pakistan Muhammad Khaliluddin pointed out that poor industrial relations may cause losses of man-hours due to lockouts/strikes, low productivity, and negative behavior of employees and employers. All these factors can affect the overall profitability of an organization which is normally considered to be a core consideration of domestic and foreign investors alike.

Experts from the Confederation of Japan Automobile Workers' Union, Honda Motor Workers' Union, Ministry of Health, Labor and Welfare, and Ministry of Economy, Trade and Industry led discussions on labor-management issues,



Workshop participants interacting with Happy Employee (robot) Asimo at Honda Motor. Photo courtesy of JPC.

labor's obligations to management, and role of governments and national productivity organizations in good labor management to identify best practices in these areas. The workshop included an optional visit to the 43rd Tokyo Motor Show 2013 courtesy of the Japan Automobile Manufacturers' Association.

The overall objective of the workshop was to familiarize participants with labor-management relations practices followed by trading partners, ultimately promoting higher productivity and economic growth throughout the interdependent automotive industry. The workshop was also a response to previous labor conflicts involving Japan's automotive partners in Southeast Asia and the Subcontinent by illustrating how similar labor-management issues had been addressed in the host country.



Participants summarizing current Japanese labor-management relations as noted in site visits. Photo courtesy of JPC.

The workshop discussions enhanced the participants' understanding of major challenges in fostering cordial labor-management relations and their correlation with sustainable productivity growth and helped them identify the roles of stakeholders in promoting such relations. On the final day, participants drafted action plans for improving labor-management relations in their organizations and suggested policy measures for enhancing overall awareness of this area and developing sound national strategies. 🌀