How Japanese soften blow of unemployment in career

Americans can reduce many of the real and psychological costs of unemployment by adapting the Japanese concept of "career employment," a University of Michigan sociologist contends.

"Career enlargement involves the use of company resources to train, educate and upgrade the position of blue collar and lower white collar employees, and above all, to retain them for most of their work years," says Prof. Robert E. Cole.

"Since they would continuously be acquiring new roles and new skills, the workers would have less motivation to change jobs frequently. For management, this would reduce recruitment and training costs, unemployment compensation and other expenses caused by employee turnover.

"But American managers would have to accept the idea that one does not adjust the labor force up and down with the vagaries of the business cycle," he adds. "Career enlargement, for either blue collar or white collar workers, only makes sense in the context of a long term employment commitment."

Cole's conslusions are drawn from a year-long study of the working environment in a Japanese auto plant. Comparing job mobility patterns in Yokohama and Detroit, he examined such issues as the Japanese work ethic, job restructuring and worker participation in quality control circles.

His book, "Work, Mobility and Participation: A Comparitive Study of American and Japanese Industry," will be published in April by University of California Press.

"A policy of career expansion would help establish a degree of job security, which numerous surveys cite as one of the top concerns of American employees," Cole says. "Generally the lower a person's occupational status, the more threatened they feel by a potential layoff."

But would such a policy serve the needs of management as well as the workers? "In rapidly growing firms there seems to be no problem, but in small or declining industries, or businesses subject to sharp fluctuation in product demand, it would be difficult. Dips in the economy," Cole adds, "would also have an impact.

"But we can learn from the Japanese experience. When the mid-1970s recession hit Japan, the government decided that lifetime employment was too valuable a practice to let simply disintegrate. Under the 1974 Employment Insurance Act, government subsidies helped designated firms retain employees until the economy improved."

"The employers received grants to cover partial wage payments to workers put on furlough for one-third of the month or longer," Cole says. "The grants were usually for six months, with possible extension.

"As a result, large Japanese enterprises were able to hold their surplus regular workers within the organization instead of throwing them out into the street. Between January and August 1975, an estimated two million employees benefitted.

"It could be argued that the same results are achieved here with unemployment compensation, but this position takes an exceedingly narrow view of the costs of unemployment. The social and psychological costs of a job loss are profound," Cole declares.

"Nor should this be surprising, since it is usually through work that industrial employees define their personal worth. The potential loss of productivity through disruption in employment is quite significant."

To reorient American management and government to the ideal of lifetime employment might initially seem unrealistic, Cole says. Yet the United States is considered unusual among industrialized nations in that it does not provide statutory protection against unfair dismissal.

"We have the odd situation where only unionized employees have access to the developed body of arbitration law that says employees have property rights in their jobs. And even unionized workers have little protection from economically-based dismissals," he adds.

"It is one of the major ironies of our time that foreign firms increasingly treat America as an underdeveloped nation. They see the lack of legal protection against dismissal as an incentive to locate their plants in the United States offsetting the higher labor costs they bear here."

Americans have hardly exhausted the potential for public policy for smoothing out the business cycle, Cole states. "For example, although billions of dollars have been spent in manpower training programs for the unemployed, the consensus seems to be that most have been failures. On the job training and placement programs for the manpower training enrollees have been more successful."

He recommends the development of policies which contain incentives for employers to retain and train their employees. In slow work periods, unemployment insurance subsidies would be issued to the firm instead of directly to the worker. This would entail some administative changes, Cole observes, but no insurmountable problems.

"In Japan, firms must produce evidence demonstrating that production has decreased more than 20 percent over the past year. Even then, the subsidy covers only one-half the wages in large firms and two-thirds in small firms. The basic approach is to treat the funds as counter-cyclical grants rather than permanent support."

Cole does not imply that the Japanese have all the answers. However, he notes, many aspects of their work practices can be adapted to fit American social and economic needs just as the Japanese have adapted Western ideas and customs.

"The kind of cyclical unemployment for which we have proposed solutions should not be confused with the unemployment arising from structural weaknesses of the economy," he adds. "Fundamentally, our economy as currently structured does not create enough jobs for everyone who wants to work.

"The solutions to structural unemployment must involve some combination of monetary and tax policy, education policy, public works projects and specific programs aimed at the young, minorities and the disadvantaged."

Japan has been able to keep low unemployment levels because its economy has grown so rapidly, Cole notes. However, a close analysis of the 1975-76 recession reveals that while government subsidies preserved the jobs of an estimated 150,000-200,000 workers, as many as 600,000 women lost their jobs during the same aperiod. Many firms resorted to dismissals of non-elite or temporary workers and solicited early retirements.

"In short, Japan certainly does not represent a role model for reducing age or sex discrimination," Cole says. "Rapid economic growth has allowed the Japanese to avoid facing upto past inequalities. The future holds no such luxuries for either Japan or the United States."

Ironing tip

Save the trouble of ironing large tablecloths by dampening them through, wringing them out slightly pinning them flat to a rug through a large sheet. Cover with another sheet to keep it clean.

National honor

David H. Shepherd, chairperson of the Southeast Michigan Counil of Governments, received the Tom Bradley regional leadership award recently from the National Association of Regional Councils (NARC).

Shepherd, mayor of Oak Park, was lauded for outstanding leadership at the local, regional and national levels. The award, named for the mayor of Los Angeles, was made at the NARC convention in Detroit.

OLHSA holds public hearings

Public hearings in Farmington and Pontiac this week will help the Oakland Livingston Human Service Agency determine its program priorities for the next three years.

Hearings will be held at 2, 4, 7 and 9 p.m. Tuesday in St. Alexander Catholic Church, 27835 Shiawassee in Farmington. The hearing is for residents of Bloomfield and Southfield townships, villages of Franklin and Beverly Hills and cities of Farmington, Farmington Hills, Southfield, Birmingham, Bloomfield Hillsand Lathurup Village.

Hearings will be held at 9 a.m. and 4 p.m. Wednesday in the Oakland County Board of Commissioners auditorium, 1200 N. Telegraph, Pontiac.

Elect road board, voters say softly

Oakland County residents were split in a recent survey on their preference for an elected rather than appointed Road Commission.

Slightly more (44 percent to 40 percent) indicated roads would be better under control of county elected officials, according to Market Opinion Research, which conducted the survey for the appointed Road Commission. The survey company concluded, however, there was no "strong commitment" for or against elected officials managing the commission.

THE QUESTION was included in the phone survey of 900 county voting-age residents, conducted in February and March. "The county board brings up the issue (an elected Road Commission) about once a year," said Road Commission spokesman Dennis Pajot.

In 1976, road commissioners proposed they be elected, but Pajot said the Board of Commissioners "poohpoohed" the idea.

Half of the residents sampled agreed that appointed commissioners are less sensitive to political pressure than elected officials. More than one-quarter (28 percent), however, had no opinion on the matter.

The county board appoints the three-man Road Commission.

Each road commissioner has a six-year term. Chairman Fred Houghten is paid $8,500 annually, while commissioners John Gnau, Jr. and Richard Vogt receive $7,500 each.

A BARE majority (51 percent) of those surveyed believed the Road Commission was making every attempt to hold down road costs, while 71 percent agreed that the Road Commission is responsive to residents' needs.

About one-third (32 percent) of county residents said the Road Commission didn't have a large enough budget, while 43 percent said the budget ($37.6 million this year) was adequate. The majority of the budget is from state gas and vehicle taxes.