A Film by STEVEN BOGNAR and JULIA REICHERT

AMERICAN FACTORY

WORK OF ARTS

American Factory

Clash of Cultures or a Clash
of Labour and Capital?

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American Factory, a documentary released in 2019 by Netflix, has attracted attention in both America and China—even more so after it won the 2020 Academy Award for feature documentary. The film documents the attempts of the owner of the Fuyao Glass Company—an enterprise that supplies 70 percent of the windshields and windows for China's automobiles—to open a factory in a disused General Motors (GM) assembly plant in Dayton, Ohio, a city that was once one of the sites of American industrial power.

Immediately after the movie was released, a flurry of movie reviews appeared in both countries. For the Americans, it is the first time that the operations of a foreign-owned factory in the US have been so widely publicised in almost 40 years—since the 1980s, when Japanese automobile transplants mushroomed on American soil, stirring up popular apprehensions about foreign investment. This time, the anxiety is about Chinese investment, and can be seen as a proxy for wider concerns about China's rise and the decline of America's industrial heartland. On the Chinese side, pirated copies of the film have attracted significant public attention. According to reactions on Chinese social media, viewers in China tend to see the case of the Fuyao plant in the United States as a significant symbolic step towards the realisation of Xi Jinping's project of 'national rejuvenation', to counterpoise Trump's 'Make America Great Again'.

The film opens with tearful GM workers bidding farewell to the last truck rolling off the assembly line in 2008. Ten thousand workers lost their jobs, and many also lost their houses, community, and hope for the future. Older

workers in particular remained unemployed or semi-employed. In 2014, when Fuyao moved in, the town was euphoric—'Fuyao is the only game in town,' explains a former GM worker in the movie. The company was owned by a highly-successful Chinese private entrepreneur by the name of Cao Dewang. In television interviews and on Chinese websites, he was lauded as 'China's Number One Philanthropist' and 'China's King of Glass'. His setting up of a factory in the United States was regarded as a test of China's industrial prowess abroad. The factory hired 1,000 American workers, including a sizeable number of older former GM workers. The company also brought in a hundred hand-picked Chinese staff, mostly technicians and supervisors to train the American workers in glass making.

What Type of Culture?

When these two very different groups of employees were thrown together, it seemed like the perfect formula for a classic 'clash of cultures' situation. Indeed the word 'culture' is mentioned many times in the film by both the Chinese and the Americans. Here, I would argue that there are in reality two types of culture: first, the national, racial, or ethnic culture of the countries the different workforces come from; second, the industrial relations culture emerging from the institutional set-up of the workplace.

Explicitly or implicitly, the film repeatedly emphasises the national cultural difference. For instance, interviewed by a movie critic from *The New Yorker*, the two directors Steven Bognar and Julia Reichert were quoted as saying that 'in many ways, the contrasts in attitudes and practices [of the American and Chinese workers] come from the countries' different cultures' (Kolhatkar 2019). This emphasis on national cultural differences gives the impression that Chinese workers by nature are more hard working than their American counterparts. In scenes at both the Dayton plant

and at a giant Fuyao factory in Fujian province, the film portrays the Chinese as diligent, able to withstand hardship, and disciplined—qualities apparently lacking in the American workers. But the film also gives the American workers a chance to voice their own self-image as hard working, conscientious, willing to learn, and ready to identify with Fuyao, if only had they been treated with dignity.

At any workplace, there is also a second kind of culture that is borne out of management philosophy, institutional arrangements, and workers' awareness, i.e. workplace industrial relations culture. This is the culture that in business management studies is often ignored or subsumed under the 'national' type of culture. In *American Factory*, it is this kind of culture that gradually emerges as a sticking point. The development of events recorded in the film shows the shifting relationship between Cao's management style and the American workers, but the two directors do not make any overt comment and leave it to the audience to come up with their own interpretation. In the process, the two different workforces are caught in the nexus of these two cultural dimensions.

Attempts to Close the National Cultural Gap

At the management level, both the Chinese staff in Dayton and the American management that Fuyao hired hoped that the national cultural gap could be bridged and that they could coexist in harmony for the sake of the company's success. Both sets of managerial personnel tried to adjust to each other. To make it easier for the American employees and to adapt to local labour laws, the Chinese management agreed to an eight-hour three-shift system rather than the 12-hour two-shift system used in Fujian. The American managers deferentially addressed the overbearing Fuyao owner, Cao Dewang, as 'Chairman' and tried

hard to be accommodating to his whims. Cao, on his end, sought to appeal to the Americans' identity. He restrained from hanging up a large painting of the Great Wall in the foyer—the symbol of China's grandness and superior Chinese civilisation—for fear of impinging on American sensibilities. Instead, he ordered his staff to hang up something American.

On the shopfloor, Chinese and American workers initially also tried to overcome the national cultural divide. They were quite successful, despite the Chinese workers' superior status in the company's hierarchy and their authority as supervisors and trainers. The Americans were eager students and acknowledged that the Chinese were hardworking and competent. Despite the language barrier and difference in status they tried to make friends, with some success. 'We just bonded. We tried to learn from each other,' remarks an American worker who invited his Chinese colleagues for Christmas dinner and taught them how to shoot, a quintessentially American pastime.

Closing the Workplace Cultural Differences

In organisation studies and international management studies, much research has been done on differences in workplace cultures and how they could be hybridised. This process involves the creation of a third cultural space moulded out of the 'colonising' and 'colonised' culture (Shimoni and Bergmann 2006). With the Chinese being the coloniser and the Americans the colonised, in the case of Fuyao the authoritative actor in the designing of a hybridising management process would, therefore, be the Chinese management.

Fuyao was aware that to avoid distrust and conflict between the two workforces it needed to narrow the disparity between them. So, although the Chinese workers were more skilled and were supervisors, they were

paid less than the American workers. Their monthly wage was exactly the same as what they made in China, which I estimated was about 650 USD (5,000–5,600 yuan) a month. To supplement this low wage, they received a monthly food subsidy of 500 USD, for a total income of about 13,000 USD a year. Since the minimum wage in Ohio was 7.25 USD per hour, the wage and food subsidy together corresponded to exactly the state's minimum wage. The American workers made an hourly wage of 12.84 USD per hour, which amounted to roughly 25,600 USD a year, considerably less than what many of them had previously earned at General Motors. To put this into perspective, over the past several years low-paid American workers have been campaigning for a 15 USD minimum wage. To make things worse for the Chinese workforce, initially they were not allowed to bring their families. Wong, the film's main Chinese character, who is used by the film directors to represent the Chinese workers, was under enormous pressure to help get the glass-smelting ovens going and to meet production targets. He admitted that he cried in the evenings out of loneliness but dared not tell his co-workers.

Chinese Management Widening the Cultural Gap

Formally, Chairman Cao emphasised that Chinese and Americans should work together and should equally identify with Fuyao. At the same time, he and his management team devised a divide and rule policy to drive a wedge between the two groups. Even before the factory started production, a Chinese manager's speech to the Chinese workers drove home the message that there were big differences between Chinese and American cultures, a message that was regularly reiterated at all-

Chinese staff meetings. Chairman Cao went further, invoking nationalism and patriotism in his speeches to the Chinese workers:

We have not reached our goal... We are all Chinese. We were all born Chinese. You were born of Chinese mothers. No matter where you are you are Chinese. We Chinese come to America to open a factory. The important thing is not so much to make money, but how it would change Americans' view of the Chinese, their view of China.

The message to Chinese workers was clear: because production was not up to standard, they had to work harder not for money but for the image of their country. To boost production, they had to push the Americans to work harder without expecting a wage raise. Money was not their main motivation: their mission was to improve the image of the motherland.

Cao would have liked the Americans to work like Fuyao's workers in Fujian. He brought a few American managers to see how the mother factory managed work. They were surprised to see that work days began with militaristic roll-calls and drills, and that the young migrant workers worked at a steady rapid pace without regular breaks. One stunned American said it looked like the labour was 'non-stop'.

Back in Dayton, a speed-up in production duly began, arousing resentment among the American workers. Production could not meet the quotas set by Chairman Cao, who was eager to recoup his investment. The American workers, no longer in their youth, were slow in grasping the skills, with the productivity in the plant in the United States being only about half of that of Fuyao in Fujian. A Chinese supervisor, when pressured to explain the poor production record, muttered: 'Their fingers are chubby.' Glass making is heavy work prone to injuries, and the speedup took its toll. Still, reasonable harmony persisted up to this point, as many of the workers were glad about being employed and wanted to give the company the benefit of the doubt.

The American chief manager was suddenly replaced by a Chinese national named Jeff who had lived in America for a long time. Even more than Cao, he began to play the divisive nationalistic card, and the American managers were soon almost completely replaced by Chinese managers. Pressures mounted. On the shopfloor the American workers harboured a litany of complaints: the speedup, the low wage, the disregard for occupational health and safety, the violation of environmental laws, and, above all, the lack of respect. In three years, over 3,000 American employees decided to leave.

By then, the initial sensibilities towards American workplace norms had been thrown out of the window. Former GM workers felt openly nostalgic for the good old days when they made 29 USD an hour with generous fringe benefits. Then they could easily buy a pair of sneakers for their kids, but not anymore. Some American workers held meetings where they poured out their grievances, and began

to agitate to set up a union branch. The Chinese workers looked on as a large number of the older workers struggled to unionise the shopfloor.

Clash between Labour and Management

Early in the film Cao vehemently objected to having a union in the factory. Now, faced with a rebellious workforce, he and his management team quickly learned something about how American companies fight off unions. At a fee of one million dollars, Jeff hired a public relations company specialised in fending off unions to design and implement a packet of anti-union activities. The company held mandatory anti-union meetings where the PR company warned the workers that should they strike, they could be replaced; the company got some workers to go around wearing 'Vote No' t-shirts; helped to identify and get pro-union workers fired;

Still from *American Factory*, Netflix, 2019.

and appealed to the short-term interests of the younger workers. Jeff raised the hourly wage by 2 USD just before the vote on whether the company should have a union. All the while, the Chinese workers watched on, quietly siding with management. On the day of the vote, the Chinese workers tensely glued their eyes to CCTV screens, and clapped and cheered when it was announced that two-thirds of the workers (mostly the younger ones) had voted 'no' to unionise.

After the election, Cao told his Chinese management staff to hire young workers and condition them to the Chinese working culture. Jeff gathered together the American workers who voted no and told them: 'Now you work for me We are a family. Let's make America great again.'

the American norm is an adversarial anti-union approach, and Cao was quick to understand and adopt this feature of American management.

Late in the film, Cao inspects the shopfloor and is told that a number of new robotic machines had been installed that could each replace four workers. The directors' focus then shifts from a new scenario of workers being controlled by management to a future controlled by automation. The film ends on this bleak note, hinting that the spectre of automation-driven unemployment will eventually engulf all workers, no matter their nationality. ■

A Clash of Cultures?

To answer the question of whether there was a clash of cultures at Fuyao, we need to distinguish between the different kinds of culture present—national or industrial. On the shopfloor, in the beginning, despite the difference in national culture, the two groups of workers were ready to be accommodating and work together. With time, there was the potential for the emergence of a cross-national, class-based culture of labour solidarity. But the Chinese management strategically pre-empted the emergence of such a relationship. At the management level, there was no genuine attempt to launch a hybridisation process. Cao and Jeff's colonising managerial culture eventually trumped the American colonised worker culture. The only feature of the American system that Cao and his team ultimately incorporated into their management philosophy was the American anti-union culture. Unlike in China, which strives for harmonious workplace relations by incorporating and controlling the trade union,

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