

國立清華大學 101 學年度碩士班考試入學試題

系所班組別：國際專業管理碩士班(IMBA)

考試科目（代碼）：英文(4802)

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Read the following essay and answer the questions in parts A and B.

The Rise and Fall of the British Auto Industry

The invention of the automobile should have boosted British industry. No country had a longer tradition of machine manufacture and engineering; none so large a pool of skilled metal workers. The potential demand was good. British income levels topped all of Europe, and imperial dominions and possessions offered sheltered markets overseas. Yet Britain was slow on the pickup and saw first France and then the United States take the lead. In 1913, only one British car stood amongst the top ten of American and British producers—the Maxwell, in sixth place with 17,000 units, against 202,667 by Ford.

Given the winding, narrow roads, British car makers might have concentrated on small vehicles. Some of them did; but early on, the industry moved to large, pricey models that appealed to richer buyers (many with drivers) and brought larger unit profits. As a result, the industry was characterized by models galore (198 in 1913), short runs, and costly techniques, with much adjustment and fitting. Some observers thought auto makers underestimated demand. Said *The Times* in 1912: “no firm . . . has been sufficiently enterprising to lay down a large enough plant to make small cars in sufficient numbers to make their production really cheap.”

World War I and the introduction of assembly-line technology by Ford in the United States pushed the British industry to change. British firms bought heavy-duty machines and began to standardize models, though tentatively, like dipping their feet in cold water. That was the easy part. They found it hard to follow the Americans in buying labor cooperation with general wage increases. Nothing like money to ease the pain of faster work and labor-saving techniques. When Herbert Austin (of Austin Motors) visited the Ford plants after World War I, he was most impressed by the “energetic” work performance, the hustle and bustle, which he attributed to the “diversity of the Races employed” (interracial competition?) and the compulsion of the line flow. “I saw the famous Ford shops . . . the point that interested me and made me marvel was the way in which everybody in the establishment seemed to be trying to do their best.”

British management did not want higher wages across the board. It preferred to target and reward the more productive workers. So, following established custom, employers offered piecework wages. These helped some, but they had a serious disadvantage: they gave the work rhythm over to the workers. The good, rational assumption was that piece wages would lead workers to maximize productivity, as some no doubt did. But it allowed others to set such pace as the group or team found comfortable as well as rewarding. The group was only as fast as its slowest member.

What an irony! In the eighteenth century the British had developed the factory system with its supervised labor to counter the independence of cottage workers.

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Now they had permitted a comparable system of worker independence to take root in their factories.

So the British sacrificed productivity to custom and individuality and felt virtuous for it. American methods, one Briton snorted, were “herd methods.” To be sure, wage arrangements, like production methods, varied from one car maker to another, but in general, British management saw bonus systems as a way of economizing on management. (Never underestimate the leisure preference of bosses, any more than of workers.) In the long run it was a false economy. When, after World War II, foreign cars invaded the British market, employers blamed labor for want of diligence and attention, and labor blamed the bosses for want of competence and attention. Both were right.

On a scale of labor efficiency, the British system was at the low end, the American and German considerably better, the Japanese just about the best. Piecework wages and bonuses in a world of rapid innovation and sharp competition invited conflict. Every change in work and pace was pretext for disagreement; every settlement a source of disappointment; every gain a sacred and vested right; every loss something to be made up; and no one forgot anything. The strike statistics are not dismaying, but they omit the run-of-the-mill, wildcat interruptions, the explosions of anger, the fury between supervisors and labor stewards.

All of this sent the British auto industry into terminal decline. Car registrations went from 2.5 million in 1951 to over 9.5 in 1966 to over 15 million in 1980, but the big winners were the foreign makers, once they got their postwar act together: 5 percent of the British market in 1965, 14 in 1970, 49 in 1978, 58 percent in 1982. The multinationals with branches in Britain—General Motors, Ford, and Chrysler—did little to exploit the export possibilities of their British subsidiaries; they had easier platforms to work with. On the contrary, thanks to the Common Market, they were able to import parts into Britain. From 1973 to 1983—ten years—local content in GM cars made in Britain fell from 98 to 22 percent; in Fords, from 88 to 22. Expressed in car equivalents, this represented an import of 150,000 vehicles. When added to full auto imports, these together constituted two thirds of the British market in 1984.

The native British firms, without affiliated abroad, outsourced less. (The indifference of Morris [later Lord Nuffield] to the opportunity to acquire Volkswagen in 1945, thus a major bridgehead on the Continent, tells volumes.) Instead, the British resorted to mergers at home. These were intended to promote a rational division of labor, but in vain. Plants were closed and workers laid off, especially after British banks stopped spending in a lost cause. How to design new models without fresh cash, and how to sell cars without new models? The state stepped in with subsidies, £2,400 million from 1975 to 1984—this, in the heyday of Tory *laissez-faire*, *laissez-crever* (leave 'em on their own and let 'em croak). To no avail.

By 1989, British Leyland (renamed Rover Group), the residual conglomerate of a generation of mergers (1936–68) that had just about swallowed the entire home industry, accounted for only 13.6 percent of domestic car sales. Had it not been for

foreign transplants, including some Japanese factories using Britain as a springboard to the European Common Market, the British auto manufacture was headed for extinction. As it was, it now depended “on the financial resources, design and production technology, managerial methods, working practices and approaches to industrial relations” of American, French, and especially Japanese multinationals.

The explanation for this sad calvary is, as always, multiple. Here is Sidney Pollard: “[In addition to government policy], other factors in the decline have been poor management, complacency, poor industrial relations, an over-fragmented industrial structure, unhelpful financial institutions and a relatively stagnant home market.” And the first of all was poor management—another way of saying poor entrepreneurship.

(From David S. Landes, *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor* [W. W. Norton, 1999], pp. 461–464.)

Part A. Multiple-Choice Questions. 50 points.

Write down the letter with the correct answer to each question:

1. The factory system of supervised labor that took workers out of individual cottages into the large manufacturing plant was developed
 - a) by the Americans in the twentieth century
 - b) by the Japanese in the Meiji Restoration
 - c) in the U.S.S.R. in 1965
 - d) by the British in the eighteenth century

2. The British car conglomerate, the Rover Group, was known earlier as
 - a) Daimler-Chrysler
 - b) British Leyland
 - c) Austin Motors
 - d) Ford

3. What was the one British car that was competitive with top American cars in 1913?
 - a) The Maxwell
 - b) Austin Martin
 - c) Rolls Royce
 - d) Land Rover

4. Instead of increased general wages to all workers as in American auto plants, British car makers offered their workers
 - a) piecework wages
 - b) stock options
 - c) short-term contracts
 - d) life-insurance policies

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5. What portion of the British car market did foreign car makers claim in 1978
 - a) 5% of the market
 - b) 14% of the market
 - c) 49% of the market
 - d) 58% of the market

6. The story of the British auto industry illustrates, first and foremost, according to the author, the problem of
 - a) Japanese aggression
 - b) American herd methods
 - c) British social class
 - d) poor entrepreneurship

7. The European Common Market facilitated
 - a) the export of British cars to France
 - b) the take-over of British firms by Japanese car makers
 - c) the import of auto parts into Britain
 - d) the innovation of British car designs

8. From 1975 to 1984, subsidies from the British government to its domestic auto industry amounted to
 - a) £3,000 million
 - b) £2,400 million
 - c) £24 billion
 - d) £2.5 billion

9. Which auto industry had the highest labor efficiency?
 - a) Japan
 - b) Germany
 - c) U.S.
 - d) Britain

10. What might be a good reason for British car makers to make small cars rather than the large expensive cars that they have been known to make?
 - a) British people are shorter and smaller than Americans.
 - b) British people are poorer than Americans.
 - c) British garages are smaller than American garages.
 - d) British roads are narrower.

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Part B. Essay Question. 50 points.

Answer the following questions in essay form:

The essay above tells the story of the development and decline of the auto industry in Britain. What do you think are the major factors in the development of the auto industry in Britain? What have you learned about management and industrial relations from this essay? How does the development of a particular domestic industry connect with the rest of the world?