HUMAN SIDE OF LEAN PRODUCTION: AREN’T WE ON A SLIPPERY SLOPE?

A.J.C. Bose*
Department of Economics, Shri Ram College of Commerce, University of Delhi, Delhi, 110007, India
Email: bose.ajc@gmail.com

Saroj Sinha
Department of Economics, Patna Women’s College, Patna University, Patna

ABSTRACT

A most confusing debate in the last two to three decades concerns the labour impact of the policy advocacy of the use of lean production model of industrial innovation and renewal for enhancing the quality, productivity and flexibility of the business enterprises in developed as also developing countries, more so in the context of neoliberalistic globalisation. This paper takes stock of the empirically observed negative aspects of the human side of this model as against its theoretically avowed positive aspects and in the process shows how direct production labour can be shortchanged and ill-treated even as industrial firms use the model, partially or wholly, for gaining competitive strength in a context of depressed or oversupplied labour markets.

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1. Introduction and literature survey

That there can be no industrial success in developing countries unless company strategies and industrial policies change according to the Japanese or Italian models of industrialization is a wisdom that has gained currency in the past two or three decades (see, for example, Best, 1990). That may be so, but what happens to direct production workers or blue collar labour with these industrialization models in practice? There is not much illumination on this in different parts of the world, more so in countries such as India and China loaded with unlimited supplies of migrant labour.

The Japanese industrialization model, which is also known as lean production in terms of the popular American synonym, is the concern of this paper because the ideologues of lean production have created a lot of hype about the materialization of generous or commendable labour impact due to the application of this, even as its critics have debunked any such possibility. In this paper, we address this controversy and point out not only the myriad difficulties of resolving the controversy but also why the model may fail to deliver its expected labour outcomes.

* Corresponding Author
2. Lean Production Model

The protagonists of lean production (Womack et al. 1990; Womack and Jones, 1994, 1997) put forward a systemic view of it as the optimisation of all activities in a value chain—the full range of activities that are required to bring a product from its conception, through its design, its sourced raw materials and intermediate inputs, its marketing, its distribution and its support to the final consumer. To put it differently, the most important elements that synergetically constitute lean production as an intra-firm as also inter-firm system are: (a) it is customer driven, not manufacturing (i.e. supply) driven; (b) Just-in-time production and inventory control; (c) Total quality management, including Total Productive Maintenance (which is the innovative approach to maintenance that optimizes equipment effectiveness, eliminates breakdowns, and promotes autonomous operator maintenance through day-to-day activities involving the total workforce; (d) Kaizen, i.e. continuous incremental improvement; (e) The enterprise is horizontally and not vertically oriented; wherever possible responsibility is devolved to the lowest level possible, in the plant or the suppliers; (f) A high level of information exchange between all actors and a transparent and real cost structure; and (g) All relations with employees, suppliers and dealers are based on reciprocal obligations (cooperative relations) that are the result of treating them as fixed costs (long-term assets)

Despite the problematic of identifying lean production of the modern times as against mass production of the old times (Williams et al. 1987, 1992), the leading protagonists of the lean production model have highlighted the best part of it as its human side of enterprise by way of its association with the following commendable labour relations features in terms of high-performance work practices and personnel policies (see Cappelli and Rogovsky, 1994; IILS, 1993): (a) Employee empowerment and participation in decision-making: Production employees take over some tasks previously performed by supervisors, engineers and staff specialists; (b) Team work: ‘quality circles’ (focussing on quality and productivity issues), quality of worklife programmes covering more issues than quality circles, and autonomous or semi-autonomous teams (taking over some direct supervision) all organise participation through groups. Teams actually substitute for formal management structure; (c) Job rotation/cross-training: Employees swap tasks within teams and learn each other’s jobs, and their skills become more interchangeable. Employees learn a wider range of skills to enable this to happen; (d) Supportive personnel practices: Relatively high wages; profit sharing; pay for skill programme; employment security; training in basic communications and interpersonal skills and specific production knowledge and ‘socialization’ programmes which teach the values and implicit rules of the organisation, to develop high commitment; and (e) Labour-management relations based on consultation, consensus and cooperation.

3. Deconstruction of Human Side of the Model

The expected emergence and rise of the above desirable labour practices outside Japan is propounded as convergence with the Japanese ‘organisation-oriented’ employment system that has been eulogised as the best way of obtaining competitive advantage by applying it to the core workforce (Dore, 1989; Lazonick, 1995). However, in Japan itself this was true for male permanent workers at the lead firms during the post-war period only when the overall market was expanding and each Japanese lead firm’s market share was expanding as well. But when the overall market started shrinking and many lead firms found their market shares declining, the much eulogized aspects of the Japanese cooperative labour relations crumbled. The same situation holds good today in the global automobile industry wherein the supply-sided competitiveness
through lean production (based on downsizing and labour market flexibility) is reducing global aggregate
demand even as aggregate demand is not expanding due to increase in gainful employment opportunities
based on fiscal and monetary policies and many lead firms are finding it difficult to increase their falling
market shares. In this milieu, inter-firm competition has intensified to cannibalize each other’s market share,
and as such to expect presently generous or humane employment conditions of the past is rather a misplaced
fantasy. The adverse macroeconomic implications of supply-sided micro industrial restructuring in terms of
downsizing and labour market flexibility are analysed, and analysed very well by Bhaduri (1996; also see
Harkness, 2008).

It may be noted that like in post-independent India where the public sector has been considered as the
“model employer” in terms of quality of employment, in the global debate about the social relations
requirements for the success of lean production, the Japanese big private businesses, especially the lead firms
in the auto and electronics industries, have been benchmarked as the “model employers”. The partnership
model of “Japanese style employment relations” (employment security, seniority wages and enterprise
unionism) at the Japanese lead firms has been glorified as one of the important reasons for the economic
success of Japanese manufacturers through lean production in global markets in the 1970s and 1980s.
However, Yates (2003) points out that the Japanese miracle prior to the 1990s should not blind us to see the
post 1990s reality of record levels of unemployment now in Japan with fewer and fewer workers having the
lifetime jobs, and more and more workers labouring at dead-end, part-time jobs. More perceptively, as Suzuki
(1998) informs us, although Japanese employers saw seniority wages as a potential cause of economic
inefficiency, they tried to solve the problem of potential inefficiency not by abolishing seniority wages, but by
gradually increasing the portion of ability-based or merit-based or performance-based wages at the expense of
seniority wages. However, the economic recession of the 1990s turned out to be much more severe than the
previous ones like, for example, the one due to oil shocks in the 1970s and the one in 1980 due to yen
appreciation, and in this milieu the employers found the existing system of employment relations increasingly
inflexible in coping with competitive economic environments. As such, the employers proposed a
restructuring of employment relations in the name of “Japanese style management in a new era”, wherein
employment security and seniority wages were dropped while “cross-class alliance” through cooperative
economic unionism at the enterprise level was retained. According to this reform, each firm should figure out
as to how it should divide the regular workers between the “stock” and “flow” types, and the seniority wage
system should be completely replaced by merit pay or pay for performance. The labour laws of the ‘land of
the rising sun’ were sought to be accordingly changed so as to promote “the individualization of labour
contracts” in tune with “the manifestation of the supremacy of market principle”.

It follows from Suzuki’s analysis that there is no one-to-one correspondence between lean production and
“Japanese-style employment relations” or “enterprise corporatist social relations”, also known as “human-
centred labour relations”, in Japan itself. In light of this, that lean production can be carried out anywhere with
depressed labour markets with indecent employment conditions is very much an empirically researchable area
of investigation. A most wonderful demystifying proof of this was provided by Carrillo (1995) who has
documented how Ford in Northern Mexico has executed, and executed very well, lean production with
“Californian system of labour relations”—weak union or no union at all with a particular type of labour (cheap,
often migrant, and without previous factory or union experience) and individualized control and incentive
systems based on assessment of performance. More recently, Zhang (2008) and IGLHR (2011) have
documented horrendous labouring in Chinese auto assembly and parts industries. Similarly, Bose (2012) and GurgaonWorkersNews (2007 onwards) have revealed the Indian hell factories in the automobile industry that has been influenced by lean thinking since the late 1990s. All these studies have documented labouring which involves job insecurity through garbage labour contracts through contractualisation and casualization of the workforce, autocratic and arbitrary management style, little or no training for workers’ development, low wages and indecent working conditions and labour rights violations as human rights violations, even as in the western context as well some scholars (see Yates et al. 2001) have unearthed little or no evidence for worker empowerment in auto factories. In general, workers all over the world perceive a sense of impermanence through ‘threats and temps’ that is blowing through the labour force (Klein, 2000).

Findings like this should not be surprising at all also because, as Lewin et al. (1997), point out, as is often the case, there is more rhetoric surrounding the new, generous labour arrangements than actual implementation. Factories are, after all, microcosms of broader economic and social organization and whether genuine industrial democracy will permeate factory life in a context of dictatorship of free markets and pseudo political democracy, which itself is under attack worldwide, in the broader society, is a moot question (see Chomsky, 1997, 1999).

In theory, lean production involves worker input but in practice it can be rejected by management. Moreover, while the desirable human side agenda of lean production factors in trade unions and “social dialogue” as part of good labour relations, the real world preference has been for non-union work relations or for yellow unions of the type found in Japan—enterprise unions. It is not surprising that World Bank (1995) considers ‘independent unions’ (deconstructed to mean yellow unions) as a positive development in facilitating industrial restructuring for increasing competitiveness (which the intelligent workers understand as increasing profitability). At the end of the day, what is at stake is whether all workers/unions want good labour relations wherein the workers own the employers’ agenda. Many of the labour relations disturbances at the factory level, in the Indian context, are due to management not allowing workers to have their own unions and do “composite bargaining”, which goes beyond wage bargaining to negotiate work norms, Manning standards, employment levels, subcontracting practices, work safety, environmental hazards, recruitment patterns, etc. Moreover, even if workers own the employer agenda of increasing profits, the non-union unitaristic framework cannot be sustained if employers do not share the increased profits with workers through ‘information sharing’ in a way agreeable to the workers, unless the workers give up this distributive battle and comply with managerial interests due to fear of losing jobs, given the oversupplied labour markets.

A large core group and a relatively small peripheral workforce should ideally constitute the employment model of the lean production. However, nobody has proved this as the dominant reality even in the motor vehicle industry which has been hailed as the bellwether of noble employment conditions. The fact that peripheral workers are found doing the same work as core workers do, and peripheral workers outnumber core workers is a big blow to the proposed grandiose human side of this model.

Consider the proposition that lean production is a management-led worker-centred restructuring. This is a mere apple-pie statement and does not answer the question as to what do managers mean by labour-management cooperation and whether and how at least pro-worker attitudes get factored into the non-Japanese management cultures. Take the American context, for example. There, some of the unionists have the hypothesis that management’s perception of a cooperative relationship with the union is one in which the unions are passive, willing to make concessions, and satisfied with little or no role in the decision making
process. Similarly, the workers and their unions have the hypothesis that ‘human resource management’ including ‘human resource development’ is nothing but ‘management by stress and fear’ and ‘human resource destruction’. The disappointing experience with quality control is another matter of significance. Quality control as developed in Japan is diametrically opposed to the traditional American corporate practices stemming from the so-called “Taylor scientific methods” which is based on a clearly defined hierarchy. American corporations attempting to implement quality control programmes often run into difficulties with managers who perceive the democratic principles of quality control as a threat to their authority. This situation is particularly acute when full participation by middle and lower managers has not been enlisted prior to implementation of the programme and neither procedures nor goals have been clearly spelled out. The covert and overt obstructionist tactics of the middle and lower management, and even the top management is a matter of concern in “change management” at the enterprise level (see Parker and Slaughter, 1994; Connors and Romberg, 1991; Brennan, 1991; Bradley and Hill, 1987; Perline and Sexton, 1994; Voos and Chang, 1989).

The ‘new’ supportive or humane role of management which is often stressed, may in practice not be so easy to implement on other counts as well. For instance, where industrial relations are highly conflictive, management may have to overcome a ‘credibility gap’ and is likely to meet with suspicion on the part of the workers. In addition, managers may have to acknowledge that responsibility for most problems does not lie with workers but “with rules, procedures, working environment, and production systems that management itself has created” (Hoffman, 1989). In the worst scenario, management adopts the language of Global Best Practice whilst simply continuing with the confrontational practices of the past (van Lijm, 1997). This is not all. The need for change in managerial attitudes is particularly great among those who deal directly with the workers on the shop floor. Production engineers and manufacturing specialists are expected to act on suggestions and ideas from production workers, join in quality circle and kiazen meetings, and otherwise treat shopfloor employees more or less as equals. But “Many companies have found this to be a painful experience for their engineers, who tend to view themselves as fountains of expertise and the workforce as receptacles” (OTA, 1990). The case of first line supervisors or foremen is particularly delicate. When work is done in teams, and these teams are given more responsibility in, for instance, the area of quality control and kiazen, and are allowed to stop the production line when necessary, the role of the traditional first line manager (supervisor) whose tasks include motivating and disciplining workers becomes ambiguous. Therefore, many foremen have great difficulty with the new situation and frequently oppose it. This is not all. Close worker-management collaboration may contribute to enhanced efficiency and competitiveness, but not all workers may consider this in their interest. The constant search for eliminating waste leads to greater work pressure and could lead to redundancies. In kiazen campaigns, members of a work team are encouraged to find out at which stage or at whose station on the production line ‘idle time’ arises. Work is then reassigned among the team members to eliminate the slack operation. Repeated success in such attempts “invariably leads to reduction in the size of the work teams itself—that is, one of the workers will be made redundant” (Kumazawa, 1992).

A more disturbing finding is that even successful lean production experiments associated with creative work systems cannot be sustained in the face of the short-termist stresses from “destructive” financial and product market requirements. This is a hypothesis with case study supported empirical evidence in USA, from Konzelmann and Forrant (2000). This is supported by the evidence in UK as well (Ferner and Hyman,
As these scholars point out, a work system is “creative” when it promotes operational and dynamic efficiency, which together rely on a high degree of both technical and social cooperation among and between managers and workers. In general, creative work systems feature innovative forms of work organization and management methods, in particular flatter, less hierarchical employment structures with fewer middle managers and greater worker participation in decision making. There is greater flexibility in job definitions. Enlightened human resource policies feature greater employment security and incentive pay systems such as profit sharing. Continuous training is an important component of creative work systems, contributing positively to the reproduction of a highly skilled labour force and hence to quality of the labour supply in the external labour market and the long-run strength of the broader productive system. In contrast, destructive work systems feature adversarial management methods and human resource policies, and the regular blackmailing through threat of job loss, especially through relocation, particularly during labour negotiations. Destructive work systems economize on training, undermining the long-term reproduction of labour force skills.

These scholars have argued that creative work systems are expensive to implement and maintain. And they require a long term commitment to production relationships in order to ensure sufficient time to recover short run costs and to generate long term performance benefits. They are thus particularly vulnerable to competition from “low-road” firms that focus on cutting short run costs. They are also vulnerable to financial and stock market pressures to generate continuous share value appreciation. Destructive product market pressures can originate in competitive relationships with low road firms as well as in supply relationships with customers who are either low road firms themselves or in competition with them. Stock markets have exerted important destructive pressures on firms and their work systems. Especially during the 1990s, pressures on publicly traded firms to maintain high and appreciating short run share values have been intense, resulting in efforts to continually reduce costs and/or to expand market share and global reach. Thus, in a long term sense, there is no escaping the global race to the bottom. In the face of the viruses spawned by this new world economy of heightened global production mobility for the sake of global labour arbitrage, even the best shop floors are not immune (Forrant, 1999).

Take the issue of functional flexibility of permanent workers. This involves the abolishing of restrictive work practices and job demarcations, and a reduction in the number of job classifications. This is easier said than done outside Japan, where trade unions, based on narrowly defined occupations, have been particularly vocal in their opposition. Greater functional flexibility provides workers with a greater variety of tasks. But whether this greater variety also requires a higher skill level is a moot point. As NEDO (1986) points out, there are three possibilities: some new tasks may be added from a different knowledge area, but at the same skill level (horizontal enlargement); higher level diagnostic skills could be added (upward enlargement); and a skilled worker could be asked to undertake certain semi-skilled tasks (downward enlargement). So, if lean production requires more functionally flexible workers, does this lead to higher skill level, and if so, are employees then compensated more for these more demanding tasks?

Consider numerical flexibility. How to pass on as much of the uncertainty on the demand side has become a key issue for lean production based producers. The greater customer orientation and just-in-time production links confront all producers with greater and less predictable demand fluctuations, and this requires greater production flexibility. Partly, the greater unpredictability in the spread of work volume over time is solved “in-house” through recourse to overtime. However, the use of non-standard labour contracts,
also known as ‘garbage contracts’, can be very attractive to the employer: overtime premiums are avoided; often the workers involved receive fewer or less generous or nil secondary benefits. Also, the use of temporary workers allows employers to postpone permanent recruitment. And when they recruit from among the temporary workforce, they can select and observe these potential permanent workers for a long time. Companies have always needed some degree of flexibility in the number they employ to cope with fluctuations in the amount of work over time. What is new, however, is that in most industrialized countries outside Japan, there is increase, sometimes drastic increase, in non-standard employment of various kinds such as self-employment, part-time employment or temporary work—jobs which usually offer lower levels of social security and employment rights than regular jobs. It is unclear to what extent this kind of employment affects the manufacturing sector’s productivity and quality. Are employers relying on non-standard workers for the more critical, responsible functions in the enterprise, particularly where these require a good deal of on-the-job-training/or highly motivated employees? If so, how are they managing the contradiction between the need for more stable employment for higher productivity and quality and the need for less stable employment for numerical flexibility? The protagonists of lean production talk about maximizing the commitment of the workforce. But with the increased use of non-standard workforce, it is not clear as to how to obtain the commitment or motivation of workers who are not part of the organization, the supplementary workers who are often as skilled as the people associated with the core activities and the degree of collaboration required when they are engaged is every bit as great (Piore, 1991).

Pay flexibility is often associated with lean production. Different flexible pay schemes influence workers' motivation and performance in different ways. For instance, while a company-wide scheme like profit-sharing could be seen objectively, individual ratings might prove highly subjective, as these depend very much on who assesses performance. Individual flexible pay schemes would seem contrary to the team spirit that lean production companies try to achieve. It is therefore paradoxical or intriguing that in Japan where teamwork receives so much emphasis, wages appear to be highly personalized so much so that the wage is a kind of secret between the company and the individual employee. The share of wages that is assessed and determined by the workers' supervisor—first-line manager—may account for up to 40 per cent of total pay (Dohse et al. 1985). Some scholars see in the individual wage system a large part of the explanation for the “typically Japanese” attitude to the job and the employer. It explains workers’ readiness to participate in kaizen activities; it explains why Japanese workers take so few holidays, make so many suggestions, and work so much overtime at the cost of their health. Absenteeism due to short-time illnesses is virtually unknown because companies make large deductions for absenteeism from the bonus payments. “Absenteeism also results in negative points in performance evaluation” (International Metalworkers Federation, 1992; also see van Liemt, 1997).

How the supplier relations influence the human side of lean supply chain factories is a matter of utmost importance. While Hines (1994) suggests the existence of collaborative and harmonious relations between assemblers and suppliers in Japan, a number of critics (Turnbull, 1988; Rainnie, 1991; Chalmers, 1989; Oliver and Davies, 1990; Posthuma, 1997a, 1997b), point to unilateral domination of the assemblers (with their strong market and negotiating power and non-negotiable requirements regarding quality, price and speed of delivery) and the ensuing conflicts in the context of fierce competition, especially in respect of price, not only in Japan but outside Japan also where Japanese style supplier relations have been taking shape through the process of “fewer and closer” restructuring process. In such a scenario, labour costs are the easiest to cut, and
so the possibility of sweatshop employment practices in the supply chain is very high. This has indeed been the reality in Japan itself (Gottfried and Hayashi-Kato, 1998).

Furthermore, on the one hand the lean production model is associated with fewer and closer supplier relations. This trend is seen in terms of many JIT-linked subcontractors situating themselves near the assembly factories. On the other hand, globalization and the WTO regime are also opening up the opportunities for assemblers to source their components worldwide as they place world cars in different markets of the world and as they have production chains within different countries, and the governments are now obliging them with relaxed local content requirements. The latter trend is facilitated very well by the emerging computer integrated manufacturing and the use of information and telecommunication technologies in inter-firm relations. And this is bringing out breakdown of stable “fewer and closer relations” and emergence of unstable “spot relations” with suppliers. This trend or possibility was presciently pointed out long time ago by Blois (1986). It is a moot question as to what is the net impact of these two simultaneous trends—‘fewer and closer relations’ which suggest stability in relations on the one hand and unstable ‘spot relations’ on the other. If sourcing on the basis of ‘spot relations’ increases, this has implications in terms of eliminating the stability of labour relations including open-ended employment contracts even at the level of first-line subcontractors. We may see pervasive ‘spot labour relations’ alongside ‘spot supplier relations’ so to say, in the entire production chain. In which case, possibly with temps everywhere, the labour standards will essentially come down to distinguishing between those precariously ‘on job’ and those ‘jobless’, and whether somebody is on a good job or not will have to be ultimately evaluated in terms of a per annum minimum income criterion, perhaps. We would be in new industrial and labour regimes in which human beings will have no deep reasons to care about one another. This is the “corrosion of character” in the emerging new casino, flexible capitalism as Sennet (1998) has portrayed, in the face of which “trust”, “obligated goodwill”, “long term and close relations”, “shared responsibilities”, “loyalty and commitment” and the like language governing inter-firm and intra-firm social relations will be anachronistic, outmoded shibboleths of the past.

This is not all. How can we summarily judge the impact of lean production on labour? This is a very difficult dilemma. There is no composite index to evaluate summarily the changes in work organization, skills development, job security and staffing patterns, compensations systems and enterprise governance and labour-management relations. A major problem in constructing such an index is that positive and negative outcomes can coexist. For example, relatively high wages may be found alongside ill-treatment of workers (Amsden, 1990). Moreover, in the ongoing neoliberal context the firms are not in favour of any social auditing of their activities. “Self regulation” is what the employers prefer and this can be deconstructed to really mean a laissez-faire, free-for-all bipartite relationship with labour with no third party to act as an ombudsman. In such a world, the employers can speak positively about their workplaces for public consumption. For example, a lead firm like Reebok in buyer-driven global commodity chains professes “human rights production standards” as its policy even as sweated labour and other brutalized exploitation of workers, including sexual exploitation of women workers, is found in its supply chains (see D’Mello, 2003). Researchers are now finding out widespread incidence of “discipline and punish labour regimes” that are typically found in Chinese factories (Chan and Xiaoyang, 2003), in the supply chains of not only buyer-driven global commodity chains such as in the footwear and garment industries but also in the producer-driven global and national commodity chains such as in the automotive industry.
Sennet’s recent research (see Gee, 2011) reveals trends that are quite contradictory to what the ideologues of lean production convey. For instance, the management literature is celebrating something that is quite blinkered, which is flexibility in the operations of factory bureaucracy. The blindness derives from the fact that there is a distinct tendency for larger bureaucracy with growing monopolization of the industries with a very few large firms becoming dominant as in the high-tech sector. Furthermore, there is now increasing use of standardized management systems within flexible firms. These systems based on input-output calculations monitor how organizations are performing at any hour, or indeed minute, of the day. They produce, what Sennet says, “a new kind of Fordism, in the sense that they manage almost to the second the actual labours that people are performing within the flexible firm. Harvard Business School, I think, has been the great sinner in all this because it took on the notion that changing corporate structure is a form of freedom. But it only looks that way to people at the top. For people down below, high-tech management tools like (standardized management systems) increase regulation. And as I said, I think we’re entering a new Fordist era rather than a post-Fordist age” (see Gee, ibid.). Thus, following Sennet, we may term lean production with the social organization of the labour process without the promised generous employment conditions as New Fordism.

4. Other Miscellaneous Criticisms

As regards the application of lean philosophy, firms have not followed the “all or nothing” approach but have undertaken piecemeal and selective adaptations to yield significant results to suit their local conditions without adopting any innovative human resource practice. Or, they have used innovative strategies involving upgradation of product quality and production techniques in combination with labour cost cutting (i.e. cheap labour strategy) in order to be competitive (Posthuma, 1991).

Kochan et al. (1997) came out with the findings of their international project which analysed the diffusion of lean production and associated employment relations patterns in different national contexts by examining 90 assembly plants of various lead firms in the global auto industry. This study found that despite the widespread application of lean production principles, significant variation existed in the employment practices! More or less the same story line is there in Charron and Stewart (Eds 2003). The global auto industry is, thus, a case of “converging divergence” in terms of widespread but differentiated diffusion of lean production alongside wide-ranging labour relations outcomes. And there is little or no evidence really about worker empowerment and employment stability. This is good enough demystification of the undifferentiated view of the ideologues of lean production about universal possibility of implementing leaning production in one best way and also invariably arriving at generous labour relations outcomes.

In their celebrated book on, inter alia, car manufacturing styles, Womack et al. (1990) write: “Lean production is a superior way for humans to make things...It provides more challenging and fulfilling work for employees at every level, from the factory to the headquarters.” Thus, they suggest, without empirical proof, that labour’s skills and the quality of work would be enhanced, and that labour relations would become more cooperative. According to John Humphrey (in IILS, 1993), there seem to be three reasons for upholding this belief: “Firstly, the new organisational forms are held to provide a better and more varied work environment...the methods create their own positive labour relations climate. Thirdly, it is supposed that new production methods which (1) rely heavily on workers to produce good quality at the right time, (ii) are vulnerable to disruption, and (iii) seek worker input into improvements to the production process, can only be
based on the active consent and participation of labour. Hence evidence of the methods being used can be taken as evidence of improved working conditions and labour relations.” The truth, however, is that in a factory world of managerial prerogatives on the rise, workers have no choice and workers have not resisted lean techniques but workers have rebelled against the dehumanization associated with these factories as in the case of Indian and Chinese auto industries.

In contrast to the rosy claims, many critics portray lean production workplace as “modern sweatshop” wherein the application of Taylorism is made to be done by the workers themselves. Thus the work organisation of lean production is basically super-Taylorist (Delbridge et al. 1992; also see Turnbull, 1988; Skorstad, 1994; Papahristodoulou, 1994). And this type of labour regime can be combined with labour policies which (1) deny workers effective collective action, through marginalisation of trade unions or union avoidance or their recognition on terms which inhibit protest, and (ii) identify the extent of workers’ involvement and provide clear rewards and penalties. Thus both vulnerability of such systems to disruption and a degree of worker involvement/compliance could be obtained (see IILS, 1993).

Following Carson (2011), we can extend the above critique by saying that lean production can be seen as an extension of the managerial revolution or progressivism as the ideology of the engineers and managers in administering the large organizations in particular and society at large in general with technocratic expertise and in authoritarian manner without relation to democratic politics. It directs its exponential lust for regimentation against the working class by going beyond Taylorism. In Taylorist managerial expertise, the managerial caste or class determines “best practices” and breaks tasks down into the most efficient possible set of simple subprocesses, and workers perform the tasks instructed without the intervention of critical thought. Under lean production, attempts are made to suck the distributed, job-related knowledge possessed by workers out of practical experience whose consideration is seen as indispensable to the effective governance of the production process. As such it appears as if it is better than Taylorist management in that it is consultative but many workers have dubbed it as super regimentation and exploitation emerging from ultra manufacturing rationality.

The issue of ‘multiskilling’ as a benefit to labour under lean production is subject to different interpretations. For example, a demystifying interpretation, even in the Japanese experience, as given by Naruse (1991) is as follows: “The multifunctional worker concept does not imply a skilled worker, as in the age of general machinery, before assembly-line production.....Making a line worker multifunctional in the Toyota system means only training him in improved work methods. In other words, his work itself is essentially unskilled or semi-skilled, not multi-skilled, but he is required to be multifunctional so as to improve work methods and to be a labourer of his workgroup.”

In their study of skills requirements of the high performance work systems of lean production, Cappelli and Rogovosky (1994) arrive at the following overall conclusion: “the most common skills encouraged by new work practices are behavioural ones, such as working in teams...although new work practices may make greater demand on workers’ technical skills, these demands may not be overwhelming and the practices may, indeed, focus more on behavioural than traditional vocational skills. The fact that the Japanese car companies can take inexperienced workers in the US and the UK and produce cars more efficiently than the German companies in Germany with a much higher skill base suggests that the skills required by lean production can be taught relatively easily”.

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5. Concluding Remarks

We are indeed on a slippery slope when it comes to investigating the labour impact of lean production. What is clear from the above critical commentary is that it is rather foolhardy on the part of the ideologues and apologists of lean production to expect that their project can simply and smoothly take off and bring about high-trust based good labour relations including labour development alongside economic growth through industrial innovation and renewal.

What is needed instead is humble down to earth empiricism to throw light on this area of darkness. A few studies, from China and India, focussing on the negative aspects of the human side of lean production as mentioned in this paper go a long way to facilitate our understanding of the spate of labour disturbances in the Chinese and Indian factories over the last decade. The root causes of not only the day to day small scale internecine warfare between workers on the one hand, and managers on the other but also the occasional large scale explosive unrest by way of arson and murder, for example, as it happened in the Manesar factory of India’s biggest car maker Maruti-Suzuki on July 18, 2012, can be understood. The writing on the wall, now, that is there, therefore, is well captured thus: “Unless the problems of exploitation and oppression of workers are addressed, labour unrest will continue to spread” (EPW, 2012).

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