CONTROL AS COLONIALISM: WORKPLACE DEMOCRACY AND THE TRANSFER OF MANAGERIAL PRACTICES WITHIN MULTINATIONAL CORPORATIONS

DIANA ROSEMARY SHARPE  
*Webster Graduate School, Regents College, London, United Kingdom*

RAZA MIR  
*William Paterson University, Wayne, New Jersey*

**ABSTRACT**

In this article, we draw upon extensive empirical research conducted at the UK subsidiary of a Japanese multinational corporation to foreground the tension between organizational productivity and worker autonomy, and between firm efficiency and workplace democracy. We use insights from studies of colonialism to illuminate different facets of this contested terrain. We argue that in the interaction between the *gaze* with which top management fixes the lower echelons of the corporation in time and space, and management’s occasional attempts to *embrace* the lower echelons in a web of common purpose, the gaze inevitably wins. However, worker resistance is forever present, if ill-understood by mainstream organizational researchers. Our perspective helps us link microanalyses of the organizational control process to underlying institutional structures, and brings worker resistance and its minor victories to the forefront. This approach is especially important to researchers who are interested in bringing issues of workplace democracy to the forefront of organizational theory.

Of late, several organizational theorists have argued that the relationship between the headquarters and the subsidiary of a multinational corporation (MNC) can
this to be considered a mirroring of the geopolitical relationship between colonizing and colonized nations (Frenkel, 2008; R. Mir, Banerjee, & A. Mir, 2008; Zeitlin & Herrigel, 2000). In other words, the erstwhile colonial relationships between nations have offered an illiberal template of organizing that has seeped into modern and current relationships between corporate units as well. This power relationship, dominated by exploitative as well as culturally exclusivist rhetoric, has undermined the possibilities for workplace democracy at the subsidiary level. While workplace democracy may take tenuous hold in the units that are exclusively situated in the colonizer/headquarters terrain, the relationships between the headquarters and the subsidiary will continue to be characterized by dominance, surveillance, and mistrust.

This matter can be illustrated by the metaphor of the gaze and the embrace (A. Mir & R. Mir, 2005). The gaze refers to a condition in which coercion is the main mode of dominance, and the embrace designates the state in which persuasion outweighs coercion. The metaphors of the gaze and the embrace must be understood in light of one very significant detail: the consummation of the embrace demands, in the last instance, the relinquishing of the gaze. In other words, if the headquarters of an MNC is truly to surrender to a regime of workplace democracy at the subsidiary level, it must, in the last instance, cease to deploy a regime of surveillance to monitor action in the subsidiary. It is precisely this last instance, this surrender to the power of dialogue (Bakhtin, 1981), that the headquarters of the MNC is unable to concede. This reluctance by the headquarters to surrender to the “powerlessness” of the dialogic interaction condemns the cross-cultural transfer of managerial practice to remain at heart a coercive and violent engagement, just as colonialism as a practice could never achieve hegemony, despite its evident dominance (for an empirical study of this phenomenon, see R. Mir & A. Mir, 2009).

In this article, we use the insights garnered from research conducted at the UK subsidiary of a Japanese MNC to analyze the process of transfer of management practices across cultural contexts. It is interesting to note that despite there being no historical relationship of colonialism between Japan and the UK, and despite the fact that UK has itself had a history of colonial oppression in the 19th and mid 20th centuries, the relationship is reversed here, with UK employees finding themselves inhabiting the relatively unfamiliar terrain of the colonized. The analysis of our empirical research draws on an analysis of colonialism as a lens through which to examine the processes of transfer of knowledge and management practices. We argue that this theoretical tradition provides insights into the control processes that exist in MNCs and offers different entry points and foci of analysis. Also, by way of seeking relatedness between theories, we find that linking organizational practices to colonial ones is commensurable with the philosophy of critical realism (Bhaskar, 1979; Porter, 1973; Sayer, 1993), which may help us link it with other critical approaches such as labor process theory and critical institutional theory. As a sensitizing tool,
a critical realist approach suggests that social phenomena are the result of a plurality of structures, with human action being both constrained and enabled by social structures. Our actions as social and organizational actors ultimately reproduce or transform these structures (Bhaskar, 1979).

The rest of this article comprises three sections. First, we briefly discuss the ways in which colonial practices and organizational practices may be linked, especially in light of the transfer of management practices within MNCs. Second, we use insights from our case analysis to illuminate this perspective empirically. We end the article with a brief discussion of the implications of this analysis for the issue of democracy in the workplace.

THEORETICAL UNDERPINNINGS

The international transfer of knowledge within the boundaries of MNCs has continued to captivate researchers in the field of organizational theory (Miesing, Kriger, & Slough, 2007). Theorists have acknowledged that this process is often inherently political, marked by the deployment of social capital and maneuvering (Willem & Scarbrough, 2006). The power-laden character of the knowledge transfer process often raises more questions than it answers (R. Mir & A. Mir, 2009). For instance, consider a firm that is having difficulty with the process of transferring a complex set of routines (say, a Sigma-Six quality protocol) into a specific national subsidiary. Assuming that the changes worked very well at the headquarters, why are these changes ineffective at the subsidiary level? Most traditional theorists of organizational knowledge transfer would first consider this a problem of “absorptive capacity” (Lane, Koka, & Pathak, 2006), referring to a lack of some kind at the subsidiary level. However, if we go beyond such a simplistic assumption, there are many possible entry points into this discussion. For instance, management could be trying to exercise greater control over the work process, and some of the challenges in implementation could be due to worker resistance to this coercive practice (Ngai & Smith, 2007). Likewise, the problems could be seen as related to differences in the ways in which the headquarters and the subsidiary are structured and embedded in their organizational setting. The conflicts and problems seen in this example could be viewed as a symptom of this institutional heterogeneity (Morgan & Kristensen, 2006). Finally, the subsidiary’s resistance could be seen as an adversarial response to what it perceives as a humiliating process. The subsidiary may feel “orientalized” by the exchange, in which its reality is being defined through cognitive stereotyping by the headquarters (Prasad, 2003; Westwood, 2006). It is this third perspective that we seek to deploy in this article, arguing that the history of relationships of conquest between geographically and culturally dispersed spaces finds expression in professional relationships as well. Our story is not incompatible with other critical approaches to studying issues of workplace democracy; rather, it complements approaches such as those of labor process theorists. As
the historian Sudipta Kaviraj (1992: 38) remarks with respect to subaltern historiography, “the interstices of every narrative are filled with semblances rather than truth. Thus, the telling of true stories in history would not rule out the telling of other stories different from the first, which are also true.”

A study of colonialism provides a lens through which the transfer of management practices within an MNC can be viewed as a political and contested process. Analytically, such an approach places organizational practices alongside colonial practices as examples of international control regimes. We could begin by studying the historical processes by which colonialism as an administrative enterprise attempted to change the working practices of the colonies. Such an insight can then be deployed to study current business practices (Prasad & Prasad, 2003). The docile worker and the colonial subject share similar conditions, in that the production of the colonized subject can be likened to the production of the organizational subject in the subsidiary. Both the colonial encounter and the attempts by the MNC’s headquarters to control the subsidiary are fraught with ambivalence or heterogeneity, in which contradictions and inconsistencies emerge, thereby negating the possibility of the headquarters’ control becoming hegemonic. As a result of this failure, a space for resistance opens up (R. Mir, 2001).

Theorists of the colonial approach may use this perspective to ask the same questions of the transfer of management expertise, especially if it incorporates an element of coercion. They do so by building on the concept of hegemony, theorizing that hegemony is a particular condition of dominance where persuasion momentarily outweighs coercion. We may see in MNCs that even when workers resist, they may fail, and management may eventually have its way on the shop floor of the subsidiary, that workers will be defeated. But we may argue that if workers are angry in defeat, defiant and sullen in accepting their new situation, it represents a victory, in that dominance is not consummated into hegemony (Williams, 1977). Even if hegemony is temporarily achieved, workers can offer a way out through small “counterhegemonic” acts. Subsidiary responses to headquarters regimes therefore take forms that are subtler, even dialogical. Resistance to work practices often takes on a more passive, “routine” dimension (Scott, 1985). Open confrontations are reduced and replaced by “subtle subversions,” acts of “disengagement,” and “ambiguous accommodations” (Prasad & Prasad, 2003). Guha (1989: 231) aptly reminds us that hegemony is “a dynamic concept and keeps even the most persuasive structure of dominance always and necessarily open to resistance.” It is the spaces that are opened up by resistance that allow the possibility of the creation of an alternate hegemony, and the opportunity for active transformative actions.

As the reader may have observed, we have been careful not to use the word “postcolonial” to describe our approach. This is because there has been a notorious tendency in the academic canon to loosely prefix the term “post” to a variety of discursive formations in an attempt to free up some space for ideas
that exist at the margins of these discourses. This may have a profoundly negative effect, in that a teleological and temporal linearity is assumed between the era of colonialism and the present, where there might be none. Also, most theorists of the “postcolonial” sort have tended to operate in the rarefied realm of linguistic criticism, while we seek to align ourselves more with the traditions of historical analysis and workplace activism. To that end, we see more linkages with subaltern historiographers (Chatterjee, 2005; Guha, 1989), analysts of working-class history (Chakrabarty, 1989), and scholars of cultural imperialism (Roy, 2006; Said, 1994) rather than with pure postcolonial theorists, who operate in the zone of literary criticism (Bhabha, 1994).

Our approach, while bringing colonialism to the forefront of organizational analysis, critiques “the historicism that projects the West as History” (Prakash, 1994: 1475). Most organizational theory is predicated upon an extremely self-referential view of the West, which is then packaged to the world as a universal viewpoint. In its extreme manifestation, this view obscures the intimate and often violent dialogue that is taking place between Western and non-Western economies on a variety of contested terrains, such as modernity, industrialization, and ways of knowing. Situated as it is in the context of a late capitalist society, most mainstream analysis of MNC behavior discards categories that have outlived their utility from a Western standpoint. These may include older cultural practices that are reinvoked in the modern workplace. For example, Aihwa Ong has analyzed the “spirit possessions” experienced by Malay women on the shop floors of Intel organizations as a form of resistance (Ong, 1987). Similarly, Doreen Kondo theorizes the decision by Japanese workers to refuse traditional gifts from modern employers as a form of culture-based resistance (Kondo, 1990). Everyday relations at the workplace in MNC subsidiaries have to be seen as sites of class struggle, of worker alienation, of intraorganizational bargaining, and, sometimes, of relations of imperialism and cultural dislocation. Understanding the complexity of this context and managing the actions arising out of it are important challenges facing workers and theorists alike. These relatively small struggles are the only recourse for workers in a regime of unequal exchange, in which global capital often assumes the cutting edge in the perpetration of unfair labor practices, in the West as well as the Third World. Organizational theorists have been trained to dismiss the “everyday routines of worker resistance” (R. Mir & A. Mir, 2002) that occur on a routine basis in the MNC subsidiary as “resistance to change” and “irrational” acts.

We argue that dismissing these forms of ill-articulated dissent primarily because they do not fit into the neat theoretical categories either of managerialism or of organized labor is counterproductive. Dissent from a relatively powerless and vulnerable situation needs to be theorized, and a cultural understanding of colonialism goes some way toward providing us with the theoretical tools needed to perform this analysis.
Also, another way in which this study is of value is that it complements other such analyses, of situations in erstwhile colonies. For example, R. Mir and A. Mir (2009) studied MNC subsidiaries in India and thereby made a more direct linkage with the Indian experience of colonialism. In that the case that we discuss, it can be seen that even where there is a lack of historical experiences of colonialism, the mode of governance in an MNC still showed colonial traits, another example of osmotic “technology transfer” in regimes of dominance. Thus, in an ironic twist of fate wrought by capital, the “colonized” in our research are located in the UK, the erstwhile colonial metropolis. They must now have recourse to the same vulnerable and ambiguous modes of resistance that their erstwhile subjects developed in the 19th and 20th centuries, in a reversal of Homi Bhabha’s concept of mimicry as resistance (Bhabha, 1994).

In the following section, we introduce brief elements from a case study of the transfer of management practices within the UK subsidiary of a Japanese MNC.

**EMPIRICAL STUDY: “CAR CO.”**

The vignettes from the case presented below draw on a larger ethnographic study of shop floor practices at the UK subsidiary of a Japanese MNC in the automobile industry, which we have named Car Co. to preserve confidentiality. One of the authors spent over a year at various Car Co. sites, working as an employee on the shop floor while conducting research. This research studied the changing forms of managerial control during the transfer of new management and work practices from the Japanese headquarters to its UK subsidiary. By way of context, Car Co., a large Japanese automobile manufacturer, had set up operations in the UK, including a greenfield site. However, it also purchased a 50% stake in an existing brownfield site, as a joint venture with a local UK manufacturer. The brownfield site was located in an industrial area in the UK that had a long history of manufacturing, and many work practices had been sedimented in the existing site from previous operations. The parent organization sought to incorporate Japanese management practices such as Kaizen, quality orientation and work flexibility (Flynn, Schroeder, & Sakakibara, 1995) into the UK site, which led to lively communicative interaction between the workers and management. We chose this example to illuminate our theoretical perspective because it presented an interesting case in which the legacy of existing custom and practice was being challenged by attempts to introduce new management practices.

**THE PRESS SHOP**

The press shop was the oldest section of the brownfield subsidiary. Initially, the Japanese partners in the joint venture had little involvement in the management practices and control systems of the subsidiary. As one local director outlined, they had hoped that the company would run itself:
They could bolt a little on the end that would make products for the Japanese customer, and it would just go along like that.

However, the timing of the acquisition was bad: the market had declined and sales reflected this. At this stage, the Japanese parent company sent over an expatriate management team to sit alongside the local directors on the board in equal numbers. In addition, expatriate coordinators were also introduced to work alongside local managers in a “training and advisory” capacity during the implementation of new management systems and practices in the company. The Japanese managers slowly began to get more hands-on in the day-to-day running of the firm, focusing on the actual work practices at the site, which had hitherto been deemed “trivial” by the workers. For example, a memo appeared in a shop floor rest area highlighting some of the concerns of management:

It has been brought to my attention by safety representatives that in some cases safety rules relating to safety shoes, clothing and smoking are being blatantly ignored. We are currently undergoing a revolution to become part of the global Car Co. organization and to become competitive. This means a dramatic change from our old ways and attitudes if we are to be successful as part of a global company. I will support you in your efforts towards this. Go for it. [signed by the manufacturing director]

Also, while a just-in-time (JIT) inventory management system had been attempted in many of the UK subsidiaries of Car Co., it had not been introduced into the press shop, since it would have required substantial investment in new machinery. There was a wide range of products to be made, and the existing machinery was found to be unable to adapt to short runs and quick changeovers. The management responded to this inability to implement JIT practices (such as zero buffer stock and the Kanban system) by focusing on other practices, such as multitasking, job grading, and a new “team leader” role, in an attempt to change the shop floor culture.

**Work Organization and Control in the Press Shop: The Job Card System**

The press shop was now organized functionally, with similar machines and processes located together. Work was allocated by means of a “jobbing system,” in which workers collected from the team leader job cards describing the job to be done, the machine to be used, and the quantity of product required. Batch production methods operated. The card gave a time for the job by stating how long it should take to complete each unit. The times for the jobs became a source of contention among the press operators, who would often argue that a time was “wrong.” Informal bargains then emerged between the operators and the team leader as to what was to be deemed a reasonable time for a job.
Individual worker efficiency was now monitored through a clocking system. The control system involved workers clocking onto and off each job that they performed, by having the work record card electronically stamped at the start and completion of the job. In addition, each worker had to record the details, on an individual log sheet, of each job completed, the quantity produced, and the formal expected time per unit on the job. In this way, it became possible to calculate the efficiency of each worker, by comparing it to the average time taken on jobs, and measuring it against the benchmarked time specified for the work completed. The team leader and management monitored individual workers’ performance by means of computer printouts, calculating operator efficiency on a weekly basis from the work record cards.

Worker Responses

Workers initially resented the system and actively bargained for a more lenient benchmark. They had fewer options for direct representation with management, and there was no longer an active recognized union at the shop floor level, so their negotiations were primarily conducted with the team leader. Ultimately, an informal compromise emerged. Although management never stated it, it began to be understood and acknowledged by the team leader that an 80% operator efficiency record would be acceptable. This 80% was an overall target, leaving room for interjob variations in productivity. For instance, there were “easy jobs,” where it was possible to reach 100% efficiency without too much effort and even to reach scores of over 100%. All this would be recorded, and workers “managed” their performance by carrying over unutilized times on easy jobs, to compensate for “bad” jobs where 100% efficiency was too difficult to reach. The job times and clocking on/off system served as the focus of workers’ attention during the day and served as a control on their efforts.

Workers still found ways to create space for unofficial rest periods. This often involved clocking off a job and registering as “cleaning up.” A “cleaning up” time of 10 minutes was considered reasonable by management, which was attempting to encourage cleaning of the shop floor as a part of every worker’s job, rather than a task performed solely by a “serviceman.” However, it was generally understood among the press workers that “cleaning” usually involved the workers standing at the back of the presses for a break.

Measuring Performance

The walls of the press shop displayed performance charts, which included measurements of production against customer demand on a weekly basis. Efficiency as a percentage was compared to the target efficiency levels on a weekly basis. Absenteeism as a percentage was also compared to the target absenteeism. Quality records measured scrap as a percentage of total output, and safety was measured as the number of lost-time accidents and other accidents. At the time of
the study, the press shop absenteeism targets were given as 3% and efficiency targets as 78%. This would be compared to actual measures in a sample week of 3.6% absenteeism and 75% efficiency.

For the press shop, scrap components were formally recorded according to the fault involved. Where problems were identified, corrective action was recorded, together with accountability for the corrections and a target completion date. The top problems identified were then monitored over a 24-week period as a result of countermeasure activity. However, press operators could informally “conceal” a certain amount of scrap without having to formally record it. This would be easier to do when the informal support of the setter or serviceman was given.

Managing Change in Authority Relations in the Press Shop

The team leader was given the job of changing attitudes and practices among the members of the team with regard to the work quality of the operatives. Previously, quality had been considered to be the domain of the inspector and the managers, not the operators. In the new system, the setters, who had the role of preparing the presses and the tooling for the operators, were now given more responsibility for inspection. This led to some resentment on the part of the inspectors; in the press shop, the inspector commented:

Before, the inspector used to have more status in the company. Everything had to come through the inspector. But now, well, with the Japanese, but I suppose it is changing everywhere, they have given the setters more responsibility for checking quality, so the inspector is really having a much smaller role now and is pushed into a corner, although they do still do checks.

The team leaders were also expected to change old ways of thinking regarding start and finish times and flexibility in lengths of breaks, creating a disciplined attitude in the workers that was quite different from the then-existing casual, informal approach to breaks and finish times. In the newest section of the factory, it was easier to implement management practices such as working from buzzer to buzzer. As one team leader mentioned:

It’s because people have been recruited to work in here from outside and they are told this is the way we work in here. So they seem to accept it.

In the press shop, however, it would have been difficult to introduce the practice of working from buzzer to buzzer. Any order to keep on working would have gone against the informal understandings that existed on the shop floor. The team leaders initially turned a blind eye to the workers’ informal practice of stopping work a few minutes early. Workers in the press shop operated with the previous bonus system in their mind and would often comment that they had reached their bonus output level, so they could stop, even though the bonus
system had been removed several years earlier and a flat hourly wage rate was now offered. This practice of early work-stoppage was partly because the productivity levels of workers were monitored as a means of controlling output. Workers would stop work early if they knew that their productivity level for the day was reaching acceptable levels, rather than push the benchmark higher.

WORK GROUPS IN THE PRESS SHOP AND THE IMPACT OF A CHANGING GRADE STRUCTURE

After de-unionization in the organization and the arrival of the Japanese presence, the press shop had been affected by management strategies encouraging a breaking down of traditional demarcation lines on the shop floor and a move toward multitasking. The reduction in job pay grades and the push toward multitasking were interconnected in their impact on social relations and social processes in the press shop.

Informal Work Groups and Resistance

Informal work groups in the press shop could be identified by the nature of the job that the worker was doing. The press operators formed one group, joined together by sharing the same job demands and pressures. Similarly, there were the setters, the servicemen, and the press brake operators. During the course of the shift, the setters, press operators, and servicemen had to work together in carrying out the work process and keeping the shop running.

From discussions on the shop floor between the workers it became clear that the setters identified with the role of the setter first, rather than with the press shop team. This was also the case for the servicemen and press operators. A worker would tend to interact from the position of being an individual in a specific job carrying specific responsibilities, rather than as a member of a group that had, collectively, certain responsibilities.

This can be seen in the following incident, which occurred at a team meeting conducted by Greg, a team leader:

"Greg: Efficiency has gone down in the last few weeks and is now only around 70% in the press shop. There are a couple of people I will ask to come into the office this afternoon.

Sharon [a press operator, getting very worked up]: So it’s us to blame again. We are not working hard enough. What about the setters? They just stand around. Do you ask them to fill in a work record card? No. It’s always the press operators that are to blame. If you call me into the office, you are not going to get anything from me. I will do bugger all after that if you call me in.

Greg: I am not going to call you in.

Sharon: It’s always the operators you tell off. . . ."
A discussion about performance times began. Press operators clock on and off each job they do. The jobs have an expected work time, and the operator’s performance is then calculated against this.

Paula: Some people clock off for cleaning. Who is supposed to clean? The setters are supposed to do that. That was part of the agreement when they got their last pay rise, but they don’t do anything. . . .

Sharon: So what are you going to say to the setters? Are you going to call them into the office?

Greg: You can tell them to clean up.

Sharon: It’s your job to tell the setters to get some work done. They sit on their backside while we do all the work. . . .

[Later Sharon continued] And what about the servicemen? Do they fill in a work record card? It’s only us. No other department has to.

Multitasking and the Emergence of Demarcation Battles between Work Groups

The following vignette illustrates a battle between work groups in the press shop. This example of conflict between work group identities in the press shop occurred when the team leader realized that four servicemen had turned up for work one morning. Only three were needed, so one of the servicemen would have to be reassigned to the presses. As Greg went to speak to one of the servicemen, he pointed out to the researcher that there was “going to be a bit of a fight now.” He then proceeded to speak to the serviceman, who stormed away.

Greg: I knew he wouldn’t be happy. The servicemen don’t like being asked to work the presses. But I cannot help it. I will have to call him into the office.

After having a word with Greg in the office, the serviceman went over to the press but did not immediately start work. Instead, he stood with his arms folded. Greg mentioned that if the man didn’t work after the break, he would have to call him into Personnel for some more severe punishment. The man did work after the break.

Greg: The workers in the press shop are really “bolshie.”¹ They are the worst in the factory. We’ve got a totally different way of doing things than what we used to. I mean like in the past it was one man for one job. Like if there was a spot welder, that would be all that he would do. But sometimes he might not have any work to do but he wouldn’t be put doing something else. And then there were the unions, until the big strike about eight years ago. Ray, would you have moved onto a press if the supervisor had asked you in those days?

¹ Slang for “Bolshevik.”
Ray [a serviceman who was friendly with Greg]: It would have depended on how the supervisor had asked me. If he had said, “Oy, you, get over on to there,” then no, I wouldn’t have.

Greg: This is Yorkshire; the unions have always been strong here.

Another example concerned the issue of cleaning in the press shop, which often provoked workers to defend their perceived role and privileges on the shop floor. This example involved one of the authors, who had taken a job as a worker in the factory as part of the research. In her first week, she was asked by her trainer to clean around the shop because there was no work to do. She had started emptying the waste bins on the shop floor when Peter, a setter she had not spoken to before, came up to her:

Peter: What are you cleaning around for?
A: There is no work to do.

Peter: Who told you that? If you clean round, they will expect everyone to clean round.
A: Ray, my trainer.

Peter: Tell him you’re fed up of cleaning round. Tell him to get you some work to do.
A: I don’t think there is any work.

Peter: No work? There is. There’s this one for starts. That’s [cleaning round is] for the servicemen to do.

Cleaning was a very important element in the Japanese management system, which sought to create order on the shop floor. The system was known in the factory as 5S. Some of the press shop operators and setters, who were used to the cleaning role being reserved for the servicemen, previously working at a grade below them, resisted it. The press shop manager had to design several specific initiatives to get the skilled workers to do 5S, rather than having others clean up for them.

FROM STORY TO THEORY: AN ANALYSIS

As mentioned earlier, this set of vignettes represents a slice of a larger ethnographic project, but one that is well suited to the study of the process of transfer of managerial practices. Unlike the newer parts of the subsidiaries of Car Co., the press shop represented a site of active contestation between different work practices.

There are several ways in which we can analyze the issues that were thrown up in this example of the headquarters-subsidiary relationships at Car Co. We suggest that the managerial responses and worker accommodations and resistance
at Car Co. can be viewed under three headings, which we term “the experimentation of capital with the means of control,” “transforming the culture of the local working class,” and “colonialism revisited.”

**The Experimentation of Capital with the Means of Control**

First, the revision of the grading structure can be seen as part of the organization’s strategy of developing a flexible workforce capable of rotating between jobs according to fluctuations in workloads (Garrahan & Stewart, 1992). The new grading structure is significant in its attempts to break down the traditional demarcation barriers existing on the shop floor, which were particularly strong during the period of unionization in the organization, prior to the Japanese investment. During the period of unionization, conflict over the time allowed for a job or job manning would often lead to a direct confrontation between management and worker representatives rather than to informal discussion between the foreman and the workers.

Work groups in the press shop identified with their craft or the job that they were doing, resulting in resistance to changing grade structures and initiatives with regard to multitasking. The identification of British workers with their craft or job (Lane, 1989) reflects the high horizontal differentiation that exists between operators and maintenance workers, staff and line, and production and technical services, historically, in British organizations, based on an underlying contractual attitude to the nature of work, in which there are strict limits, in the mind of the contractee, to the activities involved in the job.

The clear-cut notions of the boundaries of a job, which have traditionally been supported by the unions in UK manufacturing, contrast sharply with the way Dore (1973) and others characteristically analyze workers’ traditional orientation in large Japanese organizations. In Japan, studies indicated a more generalized commitment to the firm rather than to a job (Cole, 1979). This is usually explained by the existence of an internal labor market and the long-term career opportunities that traditionally existed in many (although not all) Japanese organizations (Kumazawa & Yamada, 1989).

It is also important to note that significant normative changes, which were required to support the new management practices, did not take place. Thus, many workers would refer to the importance of quality and safety first, but in day-to-day work on the shop floor, the pressure to reach output expectations and not be cautioned for low productivity took priority. The notion of an individual bonus for output, which had existed previously, was not a part of the new managerial control system. Rather, the worker was expected to achieve an output efficiency target each day as a matter of course. The display of individual performance records is an example of attempts to apply *informal social means of control* through peer comparisons and team reinforcement. In the press shop,
however, the display of performance records went largely unnoticed by the workers, who gave little attention to the “paperwork” on the walls.

While it was possible for management to introduce the formal structural dimensions of the program for change, including the changes in work organization, their effective implementation and translation into day-to-day shop floor practices was dependent on significant normative and behavioral changes among the press shop workers. The team leader appeared to be the important link between management and the workers in implementing these social dimensions of the change program and the new control system (Lowe, Morris, & Wilkinson, 1996). As part of the management of culture, new normative means of control were being introduced, surrounding a move toward a team-based structure. This included performance appraisal systems appraising attitude as well as work productivity. The press shop operators continued to be controlled predominantly by technical controls surrounding the job-based work clocking system. Resistance to these technical controls often included the development of a sense of group identity by the press shop workers, who saw themselves as being treated differently from other shop floor groups who were not controlled in this way. While workers would actively verbalize their resistance to this individually, collective resistance was constrained by the absence of support from the works committee, which had replaced the unions that were no longer recognized by management.

Thus, the change in authority relations on the shop floor with the introduction of the team leader can be seen as illustrative of the experimentation of capital with the means of control. The social control is embodied through the team, and it functions as a complement to the technical and bureaucratic means of control over the shop floor. Together with the values of team working comes the value-based system of total quality management and continuous improvement. As noted by Parker and Slaughter (1988), these systems provide a new means by which Taylorism and neo-human relations can work together more effectively. Team working thus represents a managerial control strategy that seeks to secure worker commitment and labor intensification.

Transforming the Culture of the Local Working Class

In this analysis, we can see why the use of the team leader to convey a new value system and orientation to work has proved difficult, given the traditions and conventions that existed in the press shop. Compromises have emerged, as the influence of local customs, traditions, and practices has limited the extent to which authority relations on the shop floor have actually changed in practice. Multitasking exists in theory, but in practice, the demarcation lines still persist in spirit between such groups as the servicemen, press operators, and setters. The development of a consensual team spirit and shared commitment to the formal work objectives, an important element of the parent organization’s social means of control on the shop floor, proved elusive in this particular context.
The conflict between the press operators, setters, and servicemen can be understood by looking at the established demarcation lines that have existed in the UK manufacturing sector, particularly in engineering. Traditionally, the industry was heavily unionized, with strong unions protecting the interests of their craft members by operating “closed shop” agreements. In Britain, the unions have traditionally been prominent in the training and accreditation process for skilled workers (Lane, 1989). The granting of skilled status to craft apprentices meant that at the same time a job territory was being claimed and defended for those possessing the skills, through exclusion practices. Similarly, semiskilled workers, like their craft counterparts, have been committed to the practice of demarcation in British industry, defending their job territory by refusing to move to another machine.

The reduction in job pay grades had meant that the press operators were no longer formally graded at a higher level than the servicemen, who traditionally had the role of cleaning on the shop floor and moving materials to places where they were needed. Both groups now received the same pay. This change in hierarchical status on the shop floor complemented the push toward increased flexibility of workers through multitasking, in which servicemen and press operators became interchangeable general operators. In this way, there was a separation of formal status and pay from the actual job done.

The press shop culture was grounded in a historical legacy of confrontation, individualism, and contractual relations between the hourly paid workers and the organization. Changes met resistance from the workers, but without the backing of a union and with the lack of alternative employment in the area, workers accepted significant changes in their status and working relations on the shop floor. The traditional confrontational relationship between workers and management remained, however, and notions of “team spirit” and Kaizen philosophy remained far removed from the reality of shop floor culture in the press shop.

While the organization was trying to implement changes in practices, the infrastructure that supported these practices in the parent organization was not transferred. From an institutional perspective, this case study provides an interesting basis from which debates on the transfer of management practices across contexts can be examined. For example, we can examine how local institutional and value frameworks may mediate the degree to which management practices and control systems may be sustained in different contexts.

Large Japanese organizations are frequently characterized in the literature as having more ambiguous and fluid job definitions than exist in many British organizations. Workers perform multiple tasks via intragroup job rotation. The demarcation battle between work groups in the press shop provides an example of how the traditional group norms and values in the British engineering industry made it quite difficult to transfer a system of reduced job grades and increased flexibility across jobs. The push toward increased flexibility across tasks was challenging work-group identity.
The ability of the newly appointed team leaders to carry out their role effectively in the press shop was greatly influenced by conventions existing in the wider social context of UK industry, in which authority relations have not traditionally been based on an ideology of worker involvement and commitment (Cole, 1979). The long tradition of a “minimum involvement” philosophy and of a purely contractual approach by both sides of industry (Lane, 1992) proved difficult to change in the press shop. A central aspect of the workers’ orientation was their unwillingness to become involved in what they considered to be management’s responsibilities. The example of changing attitudes toward responsibility for quality given above is an illustration of this. An institutional analysis highlights the way in which the incentive payment system, linked to long-term employment (Okuno, 1984), found traditionally in many large organizations in Japan contrasts sharply with the history of a minimum involvement philosophy in UK manufacturing (Whitley, 1992) and status-wage differentiation based on job classification. This minimum involvement philosophy now stands in contradiction to the level of commitment and long-term thinking that the new management practices at the brownfield site require of the workforce.

The extent to which, and the way in which, formal management practices were implemented in the press shop was crucially dependent on the team leader, who had the task of managing the shop floor culture. The work orientation of the press shop operators, embedded in the local working-class culture and the tradition in the region, proved very difficult to change, and the interaction of parent organization management initiatives with local conventions led to compromises on the shop floor in which a hybrid culture emerged.

Colonialism Revisited

A colonial-centric reading of the changes in authority relations in the press shop highlights the discursive means by which both control and resistance are played out in this context. The task handed down to the team leaders can be conceived as one of seeking to change the value system and introduce a new hegemony framed on the values of total quality management, team working, and multiskilling (notice the normative tone adopted by the manufacturing director).

It is evident that the new structure of Car Co. comprised hierarchies that created dominant and subordinate groups within the organization. The function of managerial practice here is to exert control over the actions of the organizational subjects through the exercise of sanctioned power and dominance. This dominance is brought to bear through a combination of coercion and persuasion. Coercion refers to those managerial techniques that rely largely upon overt supervision, surveillance, and discipline. Persuasion, on the other hand, solicits the deliberate participation of its subjects.
Team working is passed down as a new imperative on the shop floor demanding of the workers new ways of thinking about their work and social relations. At the same time, worker resistance manifests itself in a variety of ways, including a hardening of identity positions. For instance, the (Japanese) identity of the management is subtly used here by the UK workforce to delegitimize the new work conditions, which the workers feel are imposed on them.

Likewise, a colonial-centric reading encourages attention to the political context in which weak trade union power and high unemployment supported the introduction of new work practices without significant active resistance in the factory. In this context, expatriate Japanese managers had the role of transferring new work systems through local managers. This raises an interesting context in which to consider issues of workplace democracy. Here, we can also see the discursive processes by which the headquarters seeks to persuade the press shop workers to consent to the new control systems and work practices. Activities such as the written documentation on the shop floor walls monitoring performance against new criteria and the relabeling of shop floor job titles with the intention of producing a sense of common interest among the newly created “flexible” and “empowered” teams. The interplay of technical and social control in the press shop highlights the ways in which the gaze of surveillance and the embrace of empowerment are equally contested. The press shop meetings between the team leader and the workers highlight episodes of ambivalence and the counterhegemonic. Ultimately, the management has to enforce order through a return to bureaucratic control (such as the threat by Greg to involve “Personnel”). The use of disciplinary procedures against the press shop workers, who are unwilling to buy into the notions of increased functional flexibility and the removal of demarcations, represents the moment of the failure of hegemony. The team leader is placed between the shop floor and the expatriate managerial echelons in the demand for narrative by which the managers seek to ascertain the extent to which the values integral to the new managerial system have been adopted on the shop floor. From the shop floor, it is clear that while the team leader may engage in acts of sly civility and evasions of the demand for narrative (Prasad & Prasad, 2003), the press workers’ acts of resistance take on a more direct and active form in confrontation with the team leader in the press shop meetings.

Pure postcolonial approaches may also be observed in this milieu. The press shop provides an interesting case in which to examine hybridity (Bhabha, 1994), the process of cultural “translation” through which the messages from the expatriate managers are translated by the local managers and fed downward by the team leader to the shop floor. In this way, contradictions in the control systems emerged on the shop floor and were sustained in the day-to-day interaction between the press shop workers, the team leaders, the local managers, and the expatriate managers. The expatriate engineers can be seen as attempting to push through a hegemonic control system representing a new way of thinking and doing. The role of the expatriate manager inreadying the subsidiary for the
transfer of management practices can be seen in this case study. Processes of ambivalence with regard to headquarters’ hegemonic control play out in the day-to-day relations between different groupings on the shop floor, including the setters, press workers, and team leaders, and also between the team leaders, local managers, and expatriate managers.

IMPLICATIONS FOR WORKPLACE DEMOCRACY

The above analysis has drawn on a historical approach to examine control and resistance in the transfer of managerial practices within one multinational company. We have argued that through such an approach, we can develop a richer insight into and explanation of changing forms of managerial control in MNCs. Also, our analysis encourages the examination of linkages between micro-level processes and macro-level structures. What, then, do these perspectives tell us about the issue of democracy in the workplace?

First, our history-centered approach refutes the implication that new work systems based on team working actually represent a step toward increased participation and democracy in the workplace. While approaching the issue from a different perspective, it supports the assertions of labor process theorists as well (Dohse, Jurgens, & Malsch, 1985; Hodson, 1996). In the press shop, team working and the new management practices of total quality management and continuous improvement sought to control the means by which workers could participate in decision making on issues that concerned them. This happened through the social controls surrounding the new work practices, which encouraged flexibility and team spirit. The traditional channels through which workers could express dissent were reduced, but the team meetings provided a new forum for contested control on the shop floor. Resistance still existed on the shop floor, but the way it was expressed was different from the way it was expressed in the previous situation of active trade unions and shop stewards. Workers under the new management practices continued to have little influence on decision making on issues that really mattered to them, such as the nature of the work process, the workloads expected, and the general working conditions.

An analysis of the local working class within the context of democracy in the workplace calls attention to the social structuring of the work system. On a comparative level, worker discretion and involvement, managerial control over work organization, and the separation of managers from workers vary across institutional contexts, and this case study of a Japanese MNC in the UK illustrates the ways in which the local context mediates the extent to which new control systems can be sustained. The societally specific nature of many labor market institutions, education and training systems, state structures, and policies has generated forms of interest representation and capital-labor relations and of prevalent patterns of work organization and control that are different in Japan than they are in the UK. These institutions shape the governance characteristics in
the firm. This macrolevel analysis of institutional relations provides a framework for explaining how and why firms’ governance structures and capabilities may vary across business systems. In the isolated hierarchy of the Anglo-Saxon system (Whitley, 1999), management control in the firm is constrained by the influence of the capital market, which encourages “short-termism.” In the allied hierarchy business system characterizing Japan, managers are constrained by creditors, including banks, but these interest groups tend to enable a longer-term view of corporate performance in which an arms-length relationship to the firm is adopted. The internal labor market characterizing the Japanese firm encourages the development of employee competences and skills in the firm and collective innovation capabilities. In contrast, the isolated hierarchy of the Anglo-Saxon system tends to lead to limited commitment and limited mutual dependence in both employment relations and the development of organizational capabilities. In such a context, organizations react to the need for flexibility and innovation through restructuring rather than through a focus on employees as the key to developing capabilities. An analysis from this perspective focuses on explaining differences in processes of democracy in the workplace by looking at the path dependency of firms embedded in broader institutional structures at a societal, regional, and international level.

The colonial-centric analysis asks to what extent local managers and local workers were involved in determining the nature of the work practices that were to be implemented. What were the means by which local groups could influence the changes taking place? In MNCs, surveillance and empowerment regimes are part of the same (often antidemocratic) discourse, a discourse of control by the headquarters that is punctuated by resistance at the subsidiary level. The regimes of empowerment at the press shop constitute an attempt by the headquarters to achieve hegemony, in which the members of the subsidiary accept the existing power relationship as legitimate. On the other hand, regimes of bureaucratic control periodically exercised by management can be seen as devices aimed at developing a more instrumental form of dominance, in which the coercive elements of work control overpower its persuasive aspects. These two regimes then participate in an endless dance, in which each reemergence of bureaucratic control denotes not only a failure of the preceding regime of empowerment but also a failure of the discourse to achieve hegemony.

In the case of the press, such a reading suggests that without the presence of the trade union as a voice for the workers, and given the economic climate and labor market of high unemployment surrounding the factory, the Japanese parent company was able to push through significant structural changes. This reading illustrates the discursive practices by which hegemony over the shop floor workers is sought, as the team leader seeks to convey the ideology of team working and multitasking. It also encourages an examination of the discursive constitution of resistance and how it is produced and performed at the workplace, both symbolically and materially.
We may also conclude from this study that the rumors of the death of confrontational industrial relations in places like the UK are greatly exaggerated. In spite of the efforts of management to reorient the working class into a flexible, docile, and manageable force, the workers find innovative ways in which to enact their resistive agenda and earn valuable rights for themselves. In a way, they deploy the “weapons of the weak” (Scott, 1985) to forge a space for themselves. The problem really lies with organizational theorists, who have now been conditioned to represent worker activism as “resistance to change” and “irrationality.” Our challenge as critical organizational theorists is to develop an understanding of intraorganizational relations as mirroring broader social trends, and to represent (re-present) worker actions in the cross-cultural encounter as legitimate modes of action and communication. We also need to share these experiences of UK workers in the same way that management shares “best practices,” as a way in which local action can be deployed to combat global capital in cross-cultural situations. Finally, our research at Car Co. shows that relatively unobtrusive, seemingly irrational acts of defiance and resistance in the workplace may be the very sites of an incipient democracy.

REFERENCES


Direct reprint requests to:

Diana Rosemary Sharpe
Webster Graduate School
Regents College
Inner Circle, London NW1 4NS, UK
e-mail: sharped@regents.ac.uk