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**Robson Rocha**

**Comparative research  
and the business system approach:  
an introduction**

INSTITUT FOR ORGANISATION OG ARBEJDS SOCIOLOGI  
Handelshøjskolen i København  
Solbjerg Plads 3  
2000 Frederiksberg  
Tlf: 38 15 28 15      Fax: 38 15 28 28

**Robson Rocha**

**Ph.D. Candidate**

**Department of Organisation and Industrial Sociology.**

**Copenhagen Business School.**

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## **Comparative research and the business system approach: an introduction**

This paper has two distinct aims. First, I would like to present and discuss the national business systems (NBS) framework ( Whitley, 1992,1992a,1996,1997). NBS framework concerns how national variations in economic co-ordination and control systems facilitate and constrain organisational change. The NBS is not widely known in the Latin America countries, and this paper intends to shortly present it The second aim is to question, based on the NBS approach, some of the assumptions about the diffusion of a new universal template for organising work (Lean Production) and its agent, the multinational corporation.

## 1.1 - The business system approach

The social foundations of industrial power (Maurice et al, 1986) was a seminal work in the field of cross-national comparisons of economic organisation. The authors investigated the constitution of work systems in a cross-national perspective, comparing in a matched pair, i.e. organisational units fairly identical with regard to acknowledge contingencies<sup>1</sup>. They compared the differences in the structure and organisation of the work force in France and Germany, and systematically analysed the way in which workers were socialised and how this moulded the social relations in which they subsequently became involved. This approach, named the societal approach, looks at the societally specific features that affect work organisation and control systems. It demonstrated the possibility of the existence of different kinds of capitalist organisations, by explaining differences in the organisation of work and control systems across countries. By comparing national industries, (how national machine industries were organised in France and in Germany), they were able to specify how societal characteristics were determinant to the way in which work was organised and could therefore argue that it was unlikely that a single pattern of work organisation would exist throughout a sector across national and institutional boundaries. Sorge (1991) argues that the Aix Group could show that the *espace d'organisation* (organisation forms and practices), *espace de qualification* (human resources) and *espace industriel* ( industrial structure and organisation) of a society are interdependent. Work systems need to be located within a distinctive societal figuration, and the researcher needs to find the links

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<sup>1</sup> Woodward (1965), Sorge (1991)

between the organisation of work at micro-level and the national institutions at the macro-level.

Since then, the societal approach has received more attention and is presently becoming more widespread in the field of organisation studies, at least in Europe, to argue that firms organise, control and co-ordinate their activities in distinctive ways in different parts of the world. These distinct ways to structure economic activities are assumed to be relatively stable and enduring patterns of business practices in particular localities and societies, therefore developing different business systems. According to Whitley (1992), business systems are conceived as "*relatively stable and cohesive configurations of firms and markets whose characteristics are, to a considerable extent, mutually interdependent and reinforcing. By definition, then, they do not change frequently or rapidly. Furthermore, since they become established in particular institutional contexts and are interdependent with dominant institutions, substantial changes in business systems are unlikely to take place in the absence of major institutional changes.*" (1992: 273).

Business systems are, at the same time, distinctive and stable ways of structuring market economies. The national characteristics of these systems signify that they are wide-ranging across industries and regions within countries, and their structural characteristics are unlikely to change and thus long-term in nature. Even changes provoked by the internationalisation and globalisation processes are considered to have only limited effects on the nature of business systems.<sup>2</sup>

Whitley defines three principal dimensions along which business systems may differ: the

predominant type of firm; the strength of high-trust network-type relationships among firms - as opposed to impersonal market relations- and the sources and nature of authority within organisations, mainly the nature of managerial authority and worker subordination. In this research I focus on the third dimension, which is directly related to the organisation of work.

The national business systems (NBS) approach is a framework for analysing variations in the organisation of economic activities, which differs from economic theory. Whitley points to the main characteristics that affect the organisation of business activities, and by playing with these characteristics he constructs a typology of different business systems. He argues that *"... dominant institutions in all societies structure processes of industrialisation such that particular kinds of firms and markets become established and form a distinct system of economic relations that reproduces itself interdependently with political etc. institutions"* (Whitley 1992: 271). He sharply discards the rationalism of the economic theory when he points out that *"economic efficiency and success, in this view, are socially constructed and so vary significantly across different social contexts. Thus the hypostatization of a social, general economic and/or managerial rationality which determines efficient structures and practices for co-ordinating and directing economic activities irrespective of institutional differences is strongly rejected."*

Whitley(1992) advocates an understanding of economic organisation which plays up the social construction of institutions in order to understand how and why particular differences in the dominant national systems of economic co-ordination have become established and are likely to be reproduced in the absence of major institutional changes.

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<sup>2</sup> Whitley (1996; 1999).

Whitley stresses that business systems are related to successful ways of co-ordinating business activities, but in many ways he underestimates the contradictions, ambiguities and failures of any system. The process of placing countries in boxes, and classifying the different kind of business systems, implies that the common characteristics of firms are highlighted, and all the specific features that sectors and firms may present are played down.

By sociologists Whitley is criticised for not recognising the difference between the structure and the action, thus opening space for a better understanding of how actors strategize at micro level. Karnøe and Nyggard (1999) criticise Whitley exactly at this point *“the business system perspective seems to be ontologically conceived from a structural-theoretical social science perspective...the business systems does not sufficiently explicate why and how social institutions get institutionalised, or why and how microlevel actors take such institutions into consideration as they construct their lines of action.”* (1999: 80). However, even though they argue that they see the mutual constitution of structure and agency, they also state that *“we conceptualise agency with the notions of social action and situated rationality, without losing sight of the structural aspects”* (ibid:81). As I understand this, they accept the existence of a social structure, even though they stress the focus on agency. They try to subvert the causal relation between structure and action. They try to understand action within the system, an understanding of individual action. Whitley does not propose to analyse individual action, probably because he does not consider it theoretically relevant to focus on the micro level and because he does not draw the same kind of differentiation between micro and macro level as Karnøe and Nyggard (1999). They are very critical of the structuralist approach, and are more in line with Durkheim when they turn to intermediary associations as the pivot of an effective capitalism - these associations are

then networks among firms, whereas they for Durkheim are occupational associations. Just as Durkheim celebrated the enabling power of constraints, Karnøe and Nyaggard praise networks.

The main problem is the separation between actor and structure. Even those who apply the arguments of Granovetter(1992), do it in a way in which the actor and the structure or the system or structures the action are two different things, and therefore can be understood as independent and dependent variables, as in the case of looking for the effect of embeddedness on action. They pay special attention to the role of the external forces on the action of individual actors. In most cases it is not considered that a social group can choose to fight against the rules of the game, or that inside any group there are continuous divergences about how rules are interpreted and whether they are fair. These divergences are necessary for the emergence of any kind of heterodox discourse that can lead to change. Actors seem to be imprisoned in embedded systems of structured action. And even when new fashions can to some extent be conceptualised as a form of heterodox discourse, they downplay how these fashions are understood in different settings for different groups and how distinct groups try to engage themselves in social and organisational arenas to control and change the courses of collective action. The firm as an agent of change is also downplayed by Whitley., who presents a self-critique when he states that the business system framework "*tends to downplay the significance of particular firms' actions in favour of the more general logic of particular institutional systems.*".(Whitley (1996: 414)

Whitley (1999) argues that "*Insofar as people do share a common construction of the social world, this is dependent on the prior establishment of institutions, including, of course, language; and it changes*

*as institutions develop. Different institutions do structure perceptions and realities in contrasting ways so that what seems to be rational in one situation may be quite the contrary in different contexts*" (Whitley, 1999). Whitley quotes Archer (1995) to support the argument that agents possess capabilities that differ in particular institutional environments. These distinct capabilities enable social actors to struggle in non-similar ways for autonomy and control over organisational resources. It is necessary to introduce the possibility of transformation as an effect of collective action in the NBS framework, as in the cases of industrial conflict.

When discussing the national business system framework, Kristensen (1999) invites researchers to participate in the development of a new theory of social groups and firms, which should be constituted on three axes: (1) the "careers at work" that social groups historically have been able to secure for their members in rivalry with other groups; (2) the institutional means they have managed to create and by which they can protect and enlarge their future careers at work; and (3) the national system of governance that regulates how groups mutually compete and struggle to enlarge their place. He argues that if it becomes possible to theorise on social groups along these three axes, it will support the understanding of why the nature of firms differs among countries and why "markets" or "formations of firms" are organised so differently.

Kristensen (1999) argues that if these interacting groups dynamically regulate their exchanges and shared activities by institutionalising rules for co-operation "*the entrepreneur will make his life a bit easier by constituting his enterprise on principles imported from the larger society*" (1999:108 ). Accordingly, distinct social groups have constituted their identity in opposition to other social groups, and they will give continuity to these conflicts when



employed under the same roof “...while groups that stand outside such truces may create their own firms with other subgroups, establishing exchange relations through the market or using market competition to play out their sociopolitical conflicts” (1999: 111 ?).

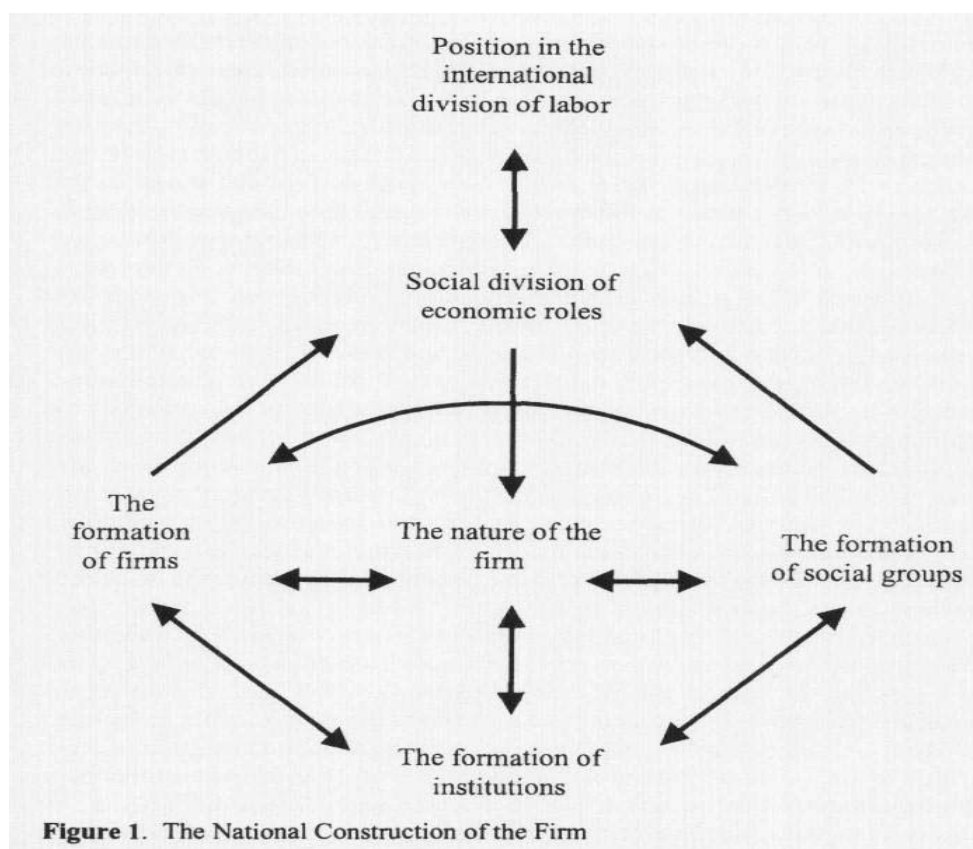
New questions have to be derived from these statements when investigating MNC. Groups that have not yet institutionalised common patterns of competition and co-operation have to work together under the same roof. The different groups will probably enter a process of institutionalisation of the rules of the game: how does this process take place?

A number of studies, conducted between 1990 and 1993, of changes in organisations in nine EU countries, indicated that team production could be found in all countries, and it was considered to be the most important part of reorganisation of work. Kristensen (1997) argues that these studies demonstrated how rudimentary our knowledge about new managerial concepts and practices is. “*Though the studies revealed that in most societies these novel ways of organising work systems created problems and internal contradictions both among different skill grades of employees and toward middle managers, none analysed the distinct functions of teams, how the different participants reconcile conflicts stemming from belonging both to a professional group and a co-operating team, how the changed career prospects affected their motivation and behaviour, and how and whether middle managers were finding a new role within the emerging organisation*” (ibid.: 32)

Kristensen (1995,1999) proposes a framework to investigate the formation and reproduction of differences in national economic organisations (see figure 1) and invites the reader to read it from the right to the left, which will help to grasp why there is a

systematic production of differences between nations in their economic organisation. For him a nation consists of "a formation of social groups" that compete and co-operate to improve their social space as individuals, as groups, or as coalitions of groups (e.g., political parties). He follows Bourdieu and suggests that these groups fight for social space, by engaging in political and economic forms of action. Therefore, it is not possible to separate firms at the economic level from institutions at the political level, because they do not constitute different fields but rather are two different means by which social groups struggle to gain and sustain their social space.

Figure 1.



As pointed out by Morgan (2001), the authors who have been participating in the debate about national business systems and divergent capitalisms share a common interest. They try to understand how national institutional contexts shape strategies and structures of firms. The question that turns out to be interesting is what happens when a firm, established in one environment, internationalises, and tries to transfer its managerial control system to other countries? And also, what happens when a company established in one country, imports managerial tools from another, in order to cope with international competition?

## **1.2 - The Multinational Company and organisational theory.**

Multinational companies (MNCs) have been appointed as the principal actor in the process of economic change created by the globalisation process, and have been seen as the engines of global trade. It has been suggested that these firms are becoming increasingly footloose and less country-bound, and at the same time more organisationally integrated than their parents, the international companies. MNCs are said to have substantial direct investments in foreign countries and actively manage these operations as integral parts of the company, strategically and organisationally (Bartlett and Ghosal, 1989). They therefore represent the extension of the visible hand of managerial hierarchies from national economies to supranational regional- and world-wide ones (Whitley, 2001). As a result firms' strategies in one market become interdependent with those in others, and firm-specific advantages, developed in the

domestic economy, can be extended to other economies (Whitley, 2001). This supposed integration and interdependence of economic activities creates a need for a continuous transferability of competencies and practices from one business environment to another. Morgan (2001) has argued that a firm incorporates new social actors with distinct ways of behaving when it internationalises, and that this has to be problematised, challenging the notion of a firm as an unified rational actor.

Whitley (2001) argues that firms from distinct business systems present distinct logics in their international expansion. He argues that variations in the patterns of internationalisation are linked to the nature of firms in their home business systems, as well as to the characteristics of the environment they invest in. Thus, in order to investigate the work systems in multinational corporations, the spectrum of the research has to be larger than the comparison of national companies operating in a single environment. It will not be possible to understand the way the work is organised in multinational firms without basing the analysis on the different business systems that affect the internationalisation process of a multinational firm.

When it is attempted to transplant the organisation of work from one country to another, national patterns may collide, and distinct traditions and interpretations related to the division of work and the relations between different work groups may not be so simple to combine. These traditions may also be in a process of change for other reasons, as for example economic and democratic changes in macro level institutions. This implies that quite important methodological questions must be asked about how to evaluate the different influences that can affect a work system. Elger and Smith (1998,1998a) argue that multinational companies are important media for the

transmission of innovations in the organisation of production and the regulation of labour. However, as the home country model is also embedded in the home institutions, the national recipe can not be easily reproduced (i.e. in the case of Japanese companies abroad), it is always evolving, and will therefore vary from on site to the another, even in the same host country<sup>3</sup>.

Morgan (2001) argues that the huge amount of literature and research on multinational companies can be broadly characterised in terms of three major concerns. The first assumes that firms are rational actors, taking into consideration the costs and benefits of different forms of supplying different markets: “*It is a transaction costs economics in that the internationalisation of activities in cross-national settings is determined by features such as bounded rationality, asset specificity, opportunism, and small numbers?*” (2001: 3). The second concern is linked to the processes of internationalisation, and how firms organise themselves for entering foreign markets. It studies the conception of stages of internationalisation. The third deals with the managing operations of a multinational corporation. This line of thinking is closely related to the classical contingency theory, in which the environment - here the market forces of globalisation, is taken for granted. The role of the managers is to find the best fit between the environment and the organisational structures.

Morgan (2001) argues that all these tendencies share a set of assumptions which define an economic view of the world, and that this set of assumptions prevents empirical research to have any impact on the underlying presuppositions about rationality, goal-directed action, and the determinant nature of market forces. “ *It is therefore unable to*

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<sup>3</sup> See also about the Japanese experience abroad : Cutcher- Gershenfeld et al (1994) Japanese Team-based work system in North America: Explaining diversity. California Management Review, 37(1):42-64. Hibino (1997) ; White and

*address systematically the social determinants of organisational structures, the political nature of decision-making, the irrationality of organisations, and the social construction of markets. It leaves as either unexamined or unproblematic a huge part of the social life of firms and multinationals in favour of model-building based on assumptions of rationality and efficient market mechanisms.” (Morgan 2001: 9). Instead we are in need of a new perspective, as Kristensen and Zeitlin (2001) argue “...MNCs structures become caught up in a game of strategic interaction among many agents, each following distinct local logics of action. The emergence of such conflictual interactions among many partly contradictory strategists implies that we can neither speak about MNCs as theoretically given entities, nor think of globalisation as the unfolding of a unitary logic.”(ibid: 189)*

Instead of seeing the multinational corporation as a unified rational actor, we should attempt to see them in a new perspective. Kristensen and Zeitlin (2001) invite us to complicate the image, raising larger questions about how to conceive multinationals and globalisation of economic activities. Subsidiaries should be seen as sites where organisational knowledge is translated and negotiated<sup>4</sup>, and we should not neglect to study how translations and negotiations take place: what is negotiated and how? Kristensen and Zeitlin (2001) advocate an urgent re-conceptualisation of these social phenomena.

To study multinational corporations, the problems faced and the solutions encountered during their development and growth, lead also to the problem of MNCs as new kinds of organisations, distinct from those who operate only within national borders. As Whitley (2000) argues: if it could be demonstrated that new organisational properties and

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Trevor.(1983) Under Japanese Management. London: Heineman;

capabilities are being developed by MNCs as a direct consequence of their authoritative co-ordination of economic activities across territorial boundaries and societies, then the increasing number and significance of MNCs in the world economy could indeed represent a qualitative shift in the organization of economic activities throughout the world.

### **1.3 - An universal new template of work system**

The diffusion of a new template of an universal work system may cause a variety of consequences to the social relations in the shop floor, and the way in which economic activities are controlled and co-ordinated. Jürgens et al. (1993) address the problem of convergence and divergence in the organisation of work in automobile industry for the period 1983-1986, in three different companies (Ford, GM and Volkswagen) and in three countries (US, German and Britain)<sup>5</sup>. They present evidence of company differences in strategies for change in work organisation at Ford and GM (the two companies with plants in all three countries), although with much more convergence across the Ford plants than across the GM plants. They also find strong country effects, mostly related to industrial relations. They propose that, while strategies for changing

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<sup>4</sup> See Kristensen and Zetlin (1997). Botti (1995) Misunderstandings. A Japanese Transplant in Italy strives for Lean Production. *Organisation* 2(1):55 -86

<sup>5</sup> One of the most investigated industries in the field of industrial sociology has been that of automobiles. It has been presented as a leading industry in many countries. I have also argued elsewhere that this industry was fundamental to the pervasiveness of Taylorism in Brazil. A large amount of comparative research has been made with this industry as a focus. The concentration of attention in the automobile industry can be seen as the result of the prominent role played by Japanese companies in the auto-industry which had showed since the beginning of eighties a productivity advantage related to their American and European competitors. Even though I am not dealing with the same industry in this research, the results in the car industry has been quite influential in debate of work organisation in the field of industrial sociology and organisation studies in recent years. I will present some of the recent research in the automobile industry and compare with the result of research made in other industries, and then question some of the arguments about the general changes in the work systems in multinational companies.

work systems vary considerably at the company level, national factors associated with the industrial relations system had a stronger influence on what work organisation changes were actually implemented. Jürgens et al (1993) experienced problems when trying to present the trends toward new forms of work organisation in spite of the radical changes they had encountered. *“We are faced with considerable difficulties in interpreting the direction and pace of change and getting to its essence. It is difficult to track down the actual changes, despite, or perhaps because of, the loudly proclaimed objectives of the companies. One of the problems in this is to properly assess the inertia of the established structures, institutions, and attitudes. A further problem lies in the fact that at the time of our research there was no established model for the new forms of work in the future, only many controversies about the direction to be taken. The factor “industrial relations” proved to be an extraordinarily important influence. But also within management there were many different ideas -- about the necessity as well as the path of the reforms to be pursued.* (Jürgens et al. 1993: 370).

More than one decade ago the Japanese management tools as ‘just in time’, kanban, and ‘total quality management’ were not so well known. During the 90’s the Japanese model became the example to pursuit. Armies of consultants have marched into firms, in order to transform the old system and build new organisations based on these tools.

The problem of transfer and change of work systems is also addressed by Kogut and Zander (1992). They suggest that the transfer of principles of organising work present substantial national-level variation in how certain dominant principles are understood and applied, and that such variation is historically persistent. The overlapping principles of Taylorism and Fordist mass production that diffused in the U.S., were also much



studied by companies in Europe. However, the adoption of those principles in Europe was slow, partial, and affected by institutional influences at national level<sup>6</sup>.

Elger and Smith (1998) had examined the character of employment and industrial relations within new manufacturing sites in a new-town setting in England where Japanese principles were introduced. They claimed that green-fields do not provide employers with unimpeded opportunities to control labour after these templates. They look at the dynamic process in which capital-labour relations developed between firms, state agencies and workers, producing an evolving and contested new employment settlement. They argued that Japanese firms in Telford/Britain experienced problems to retain the workforce, “*the attempts of Japanese managers to construct key aspects of Japanese employment system - recruiting young workers, providing employment security, growing junior management internally, providing training opportunities – proved extremely difficult to sustain, especially when labour market conditions improved and made labour mobility easier*” (*ibid*:540). The dynamic of the local labour market set limits to management control within Japanese firms operating in the region. It seems that on one hand firms tried to implement a specific Japanese model, the organisational structures that they already know at the home country, in a foreign subsidiary. On the other hand there were all the local conditions, which imposed constraints on the firms’ strategies, impeding the transmission of a new production regime. The authors claim that the exit of workers, the high levels of turnover among workers, was a response to management strategies of introducing a Japanese inspired organisational model.

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<sup>6</sup> (Guillen, 1994); Zeitlin et al. (2000)

Cutcher-Gershenfeld (1998) observed a range of varieties of team-based work systems in the Japanese owned and US-Japanese joint ventures plants in US. Unique variations were occurring as Japanese shop-floor work practices related to – the timing of the Japanese investment in the United States, the ownership structure, and the technological constraints on the work system.

Roper et al (1997) argue that the literature may have overstated the extent and rate of transfer of JIT through the mediate<sup>7</sup> form of Japanization. They found that, even in a company that had been singled out in other studies as an exemplary JIT producer/supplier, Japanese techniques had no noticeable effect at all on production work. A gap between the rhetoric and reality on the part of British managers seems to be the case<sup>8</sup>. This last point is also a critic to the findings based on survey methods, which are unable to separate management rhetoric from reality, reinforced by both the managers' idealised images of their organisations, and how managers would like to be seen.

It has been argued that green-fields sites offer a supportive context for companies to adopt innovative forms of work organisation and industrial relations (Sharpe, 2001). A considerable amount of research about these issues have emerged in England, not only related to Green-fields but also about the operation of Japanese firms in old industrial regions in the UK<sup>9</sup>. This literature have pointed out that multinational firms abroad are able to implement innovative production regimes by capitalising the local conditions: high unemployment rates, weak and subservient trade unions or young inexperienced

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<sup>7</sup> Ackroyd et al. (1988)

<sup>8</sup> Oliver and Wilkinson (1992); Roper et al. (1997)

non-unionised workers. Even in brown fields, the influence of multinational corporation in the local industrial relations and in the organisation of work are seen to be pervasive, the persistence of regional practices is seen as disappearing under the new work regimes implemented by Japanese multinational corporation abroad. These regional practices are seen neither inevitable nor permanent. The same model may be celebrated as successful accounts of flexible working practices as well as labour-deskilling, work intensification, and the enhancement of the employers power and control, Japanization of the workplace organisation and industrial relations are deteriorating trade unionism<sup>10</sup>.

Morgan et al. (2002) argue that the literature on the Japanization of the British industry was constructed from a Western perspective: “*It did not locate the strategies and structures of Japanese subsidiaries within the broader context of how Japanese multinational corporations were evolving in this period ( 1980s and early 1990)*” (ibid:1023). “*The fascination of Western academics, particularly those in Britain, with Japanese manufacturing was reflected in the degree to which the term ‘Japanization’ was used and became a signifier of a whole range of issues concerning transformations in work organization that were occurring during the 1980s and early 1990s. In this respect, it was part of the same discursive formation as Post-Fordism, flexible specialization and other such terms which were trying to define new emerging forms of work organization, based on transitions out of Fordism... ‘Japanization’ was a term for reflecting not on Japanese companies but on British ones .*” (ibid:1026).

Most studies on Japanese management have focused on whether a limited number of these practices are found or not abroad and which factors influence the transference of this Japanese model overseas. Some had argued that the Japanese model can be

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<sup>9</sup> Wilkinson et al. (1995); Garrahan and Stewart (1992)

<sup>10</sup> Garrahan and Stewart (1992).

transferred, in spite of local differences. Others, had argued that the Japanese practices can not be applied in other nations because of its contextual dependence. The role played by Japanese institutions in supporting the development of the Japanese model hinder that this model can be transferred. Others still argue that the transference is made through a process of adaptation, and it can also be reversed in some adverse macro economic conditions. The terms hybridisation, adaptation, transplantation, recontextualisation, localization are used to indicate the same phenomenon: a work system develops in a social context and when transferred to a different setting it is likely to change<sup>11</sup>.

This literature when arguing for the transference or not rarely looks at the social processes that are set in motion when a new model or work systems is attempted to be transferred from one environment to another. JIT systems are considered vulnerable to disruption, thus control and motivation systems must be effective to support prompt corrective action. This places a considerable emphasis on worker discipline and flexibility, and reveals its dependency on workers<sup>12</sup>. However it remains unclear how different work groups organise themselves to affect, resist or change the fundamental characteristics of these systems? There is a gap in the literature between the attempt to transfer a model and the final result, most literature examines if the transference was successful or not, and point to the structural variables that supported or hindered the transference. Nothing or very little is said about the process through which managers and workers interact under the new and quite ambiguous characteristics of the Japanese model. Very little is said about what happens to organisations where the function of a

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<sup>11</sup> Westley (1999:385)

<sup>12</sup>Oliver Wilkinson (1992)

supervisor is abolished, or where attempts of build a flatter organisation is made. The Japanese model can be linked to more control and to more participation, coercion and consent, the question still is how these features work at the shop floor. It is also quite interesting to understand why workers should resist a work organisation in which they have opportunity to gain more power. Or if they do not resist how do they take in fact advantage of this new model?

Just to point out that the structural characteristics of the industrial relations and employment system remain the same or change substantially under the new condition is quite insufficient to catch the process through which workers and managers react, resist, build and change their strategies under the new conditions, and how these new conditions also change as a result of collective action. Even when showing the difficulties to implement the Japanese work system and employment relations, it is not far from clear how macro factors are impacting the shop floor relations, and how these new shop floor relations can impact the macro conditions. Those that argue that Japanese inspired management model can be and have been transferred do not attempt to look at the consequences of this transference in terms of: Which social processes are triggered by the transference of a new work system into a factory abroad?

The attention is usually focused on the replication or non-replication of Japanese practices rather than on the process of replication or non-replication. Much of the literature address the variables that can support or hinder the transference, adaptation, translation of the Japanese model. Even the concept of Japanese model is open to

considerable discussion and debate<sup>13</sup>. In other words, the literature whether advocating successful transference, or limits to the transference, or even no-transference at all, lacks more details about the process through which the Japanization occurs or not, and how the new management model may transform the relation of control and subordination at the shop floor.

It is not my intention to argue that the research that has been made about Japanisation is wrong or mistaken, it has (re)created a burgeoning debate around the issue of convergence/divergence of managerial models. However this debate seems to be in its preliminary stage<sup>14</sup>. The research rarely address how structural changes affect the work relations at shop floor, and how they can constrain or enable different strategies and actions of distinct social groups. Sharpe (2001) argues that the literature related to the changing forms of managerial control and work organisation have often ignored the ways in which work systems are implemented and sustained in different contexts.

Japanese model attempts to recruit workers with a good basic education. A technically oriented education is less important than one which provides workers with the ability to read and write, follow instructions, communicate and discuss ideas and respond to training. Workers should be able to think through problems and offer solutions. If firms try to implement this model and support upskilling of the workforce, what are the effects of the process of improving skills and educational background of a workforce? If firms employ workers with a higher educational background than before, it is not clear whether these new employees preserve the same kind of expectations towards their jobs

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<sup>13</sup> Williams et al (1992); Zeitlin (2000)

<sup>14</sup> Zeitlin (2000)

as illiterate workers would. If they do not share the same expectations toward their work lives, which effects does this changes have on the way work systems operate?

Zeitlin (2000) argues for a shift in analytical perspective from the transfer and diffusion of management models to their active reworking in other countries, instead of Americanisation or Japanization, the term of “engagements” is more adequate, with all its multiple, ambivalent, and actively charged connotations. Only by modifying or discarding a series of widely held assumptions about the nature and transferability of productive models can the selective adaptation and innovative modification of these models be understood (ibid:05).

Since this trade liberalisation in the beginning of 90's, the industrial relations in Brazil have been undergoing a process of change, companies are increasing communication channels and using new concepts of work organisation<sup>15</sup>. It has been argued that a new framework for employee relations has emerged<sup>16</sup>. Unions are changing their strategies to replace the old confrontational strategies, with more negotiation with companies<sup>17</sup>. The Brazilian industry has been a “good student” of restructuring processes based on Toyotism. The processes of emulating foreign practices are seen as being successful as they led to a progress in waste reduction, quality and assemble leading time, not only in the automobile industry but also in other industries as well. However, changes related to autonomy given to workers have showed a limited progress<sup>18</sup>.

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<sup>15</sup> Ferro et al (1997:168)

<sup>16</sup> Oliveira (1994)

<sup>17</sup> (ibid:255)

<sup>18</sup>Marx and Salerno (1999)

Posthuma (1994) investigated the Brazilian auto-components industry and claims that some characteristics of the social organisation of developing countries hinder the indiscriminate adoption of Japanese inspired management model. However, she argues that the Japanese model can be unpacked and applied selectively by firms in developing countries. High level of illiteracy among production workers, fear and mistrust of workers toward management and resistance by managers themselves were reported by Brazilian firms as the most significant obstacles to the introduction of Japanese techniques<sup>19</sup>. The trade unions have also been presented as representing a strong position against the introduction of Japanese techniques, for them, these techniques were hidden managerial intentions to establish new relations with workers outside of unions interference<sup>20</sup>.

Humphrey (1994) reviews his own writing and changes radically his evaluation about the changes taking place in Brazil, *“In an article written late in 1989, I argued that Brazilian firms would find it difficult to make the transition to Japanese management’. That they would prefer to adapt Japanese techniques to the patterns of skill, training and labour relations prevailing in the country. I used the term ‘taylorised just-in-time to describe this phenomenon, This view is clearly wrong. Enormous changes have taken place, in no small way due to the opening up of the economy to external competition”*(*ibid:334*). In spite of that, he argues that there are clear differences in the way in which these Japanese techniques are emulated by different firms in Brazil. Gitahy (2000) argues that Japanese management techniques were largely adopted and imitated in Brazil, involving a complex process of social change, reversing norms and models of behaviour hitherto dominant.

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<sup>19</sup> (Posthuma,1994).

<sup>20</sup> ( Hirata, 1993).



## 1.4 - Concluding with Some questions

Maurice et al.(1986) were able to show how the institutional environment played an important role in the internal arrangements of firms, but these firms were operating at a national level. The national comparisons were comparing national industries and did therefore not focus on possible variations when dealing with multinational companies. Thus, it is still largely an open question how the transfer and adoption of work systems takes place and how work systems change in multinational corporations. The theory is unclear on just what we should expect. What is becoming an interesting and challenging area of research is the comparison of the organisation of work within multinational corporations at different locations and countries. When firms become multinationals, producing in different parts of the global sphere, which work system is going to predominate? What are the effects of the host and home countries on the way work is organised? To what extent are the host conditions important for the implementation of work systems in multinational corporations?

Kristensen (1997) argues that the transfer of new managerial concepts and practices have also been superficially studied “ *We certainly lack “thick descriptions” of what Burawoy (1985) has called factory regimes, but often when we receive them, we have very few tools for understanding in detail the game between the actors involved, nor for telling whether what we anticipate as change or stability is indeed so. (ibid:42 )*. In order to develop these thick descriptions, a new perspective towards a more global ethnography also needs to be taken, Burawoy (2000)

advocates for a global ethnography, as we can not remain immersed within national boundaries.

With the disappearance of socialist countries, capitalism turned a to be analytically fascinating in the plural form, as capitalisms. The different capitalisms and their origins must be compared vis-à-vis each other. It is a way to connect the past and the future in order to analyse the present, avoiding linking the analysis of the present to a pre-given future or an unyielding past. As the literature about Japanisation shows, the analysis of the day-to-day realities of the factory shop floor may reveal a much more ambiguous narrative of the organisation of work than the prescriptive models of Taylorism or Lean production. Therefore, the results of different researches are so discrepant.

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