Lean Production and Neo-liberal Crisis. A Comment on “Working Conditions within Italian FCA Group Plants” by Matteo Gaddi*

Paul Stewart**

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Abstract

In addressing Matteo Gaddi’s prospectus on working life and labour relations in the Italian FCA (Fiat Chrysler Automobiles) Group, this paper considers a range of responses common to labour organizations in the automotive sector internationally. These include embracing them entirely, or engaging with them robustly in an attempt to change them. This has typically required the union to think outside the framework of straightforward opposition, going beyond seeing lean as a management fad or just a simple change in production requirements. The argument is made that lean, in addition to being understood as a manufacturing strategy, is also a managerial ideology developed in a period of neoliberal transformation. In consequence, quality of working life issues attendant on the supposed misapplication of lean are here understood as being critical to capital’s labour control strategies. Moreover, since lean is also part and parcel of wider societal change, it is argued that the union could consider developing, via network research, a benchmarking agenda of workplace health & safety and worker wellbeing. This can be a means by which “health and sickness dumping” are refracted back to the firm rather than supported through social wage.

Keywords: Lean production; control-subordination; workplace-wellbeing; neoliberalism; union-social strategies.

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** Department of People, Organizations and Society, Grenoble École de Management, 38000 (France); paul.stewart@grenoble-em.com; https://orcid.org/0000-0003-1994-1102

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1 Introduction

The report by Matteo Gaddi (2020, Fondazione Claudio Sabattini) represents an important milestone in the European labour movement and arguably one of the most significant responses to the evident degradation of work and labour relations in the automotive sector since the work carried out by UNITE in the UK from 1992 until the close of the twentieth century. It is not before time for it continues two important lines of intervention: a mapping of the technical and organization geometry of lean is-situ and an interrogation of the social character of lean. Specifically this concerns the impact on health and worker security. The latter also links lean to the firm’s labour relations strategy. Moreover, the report and the research on which it is based is vitally important primarily because it represents a wide ranging in-depth response to the claims made by advocates of lean production that lean improves labour conditions, deepens employee involvement and raises technical standards and product quality.

The research and report raise at least three concerns. (I would argue that these are inevitable since they are axiomatic to the provenance and social character of lean). I would present these in the form of questions. First, to what extent is it possible to link the evident personal and social consequences of work place degradation to a strategy, or series of strategies, that have an immediate in-job ameliorative effect and which lead subsequently to modes of union and actor intervention? Second, what might be done about the by now indelible links between the social organization of production and corresponding actor behaviour — “what’s in like to work in a lean factory”? Third, what kind of response can be considered with regards to worker involvement and workplace governance given that labour unions are under considerable sectoral and demographic pressures?

2 The Report and Findings

The report into working conditions at sixteen FCA plants in Italy is based on 167 in-depth interviews with workers and a questionnaire shot with an approximately 80% response rate (7,833 out of 9,668) — quite a feat in itself. The main findings assess the impact of FCA’s lean production and management strategy (World Class Manufacturing) on collective bargaining, the character and geometry of the sixteen factories — how work is carried out, the nature of work routines and the links between the latter and market pressures (internally and externally — type of product mix-on-the-line), the experience of how to do the work, and worker health (the quality of working life). The quality of working life, work place governance and labour relations (work place control: management and labour) are all determined, over-determined perhaps, by the contemporary management agenda of lean production. The latter has a particular provenance explored at length in a range of spaces both academic and practitioner. In addition to the important data collected and consequently the stories it allows us to tell about lean and workers’ health, arguably the key aspect of the report’s efficacy is that it demonstrates the reality behind the looking glass narrative of the lean mantra “working smarter not harder”. The looking glass narrative decrees that lean is more than benign: lean is fundamentally technically, organizationally and socially progressive. Lean is good for work and therefore lean is good for workers. The report demonstrates both the extent and means by which (the modus vivendi): a) the technical and organizational changes have been introduced specifically to reduce labour autonomy, discretion (both are linked of course) and labour control both in respect of the latter but also with regards to labour-union regulation via workplace and firm level agreements; b)
the social organizational-employee relations strategy used to achieve a) — this has necessitated
therefore the shackling of the trade union(s) through clever mechanisms linking union activities
and prerogatives to “scientifically” defined definitions of work practices: the minutiae of
how each task must be performed including timing and staff levels (below).

The report draws particular attention to the way in which the variant technologies and
organizational forms chosen by FCA should not be understood only to have been determined
by technological innovations. The latter are effected by the job planning, task delivery processes
known at FCA as the Ergo-UAS system. This is carefully calibrated to draw together workplace
and workstation protocol and layout with the activities of human labour-on-the-line. Thus,

the WCM is supposed to absorb the variable and uncertain steps of both internal
and external processes through a peculiar time organization, reducing its “over-
abundance” in the shop floor production, translating the ergonomic improvement
by organizational and technical innovations in a greater working time saturation.
Such innovation has taken place in a regressive social framework for trade union
relations propelled by FCA (Gaddi, 2020, p. 276).

This relative success in reducing the porosity in the working day by “saturation”, reducing
via technological innovation/robotization, and kaizen (social reorganization), is the key factor
in the utilization of Ergo-USA. “Saturation” constitutes a specific attack on worker autonomy,
otherwise known, in company speak, as “activities with no added value” (“no value added activ-
ities”, NVAA, p. 5). The report spells out unambiguously what this means in terms of worker
equanimit:

In the WCM, the identification and elimination of those activities that the system
classifies as “No Value Added Activities” (NVAA) occupies a central place. In or-
der to eliminate the NVAAs, the company displays and classifies all the activities
carried out by an operator; among these, it identifies the “value-added” and “non-
value-added” activities; it measures the latter and defines interventions to shrink
them as much as possible — or even eliminate them altogether (p. 279).

The main NVAA activities are those involving observing, walking, bending,
checking. However, a more in-depth analysis allows to identify them with
greater precision: walking, waiting, rotating, attempts to screw-assemble, insert-
positioning, hand passage, laying tool, put in place, search, count, replace, order,
measure, choose, arrange, unitie, lift, push, pull, etc. (p. 279).

It is evident that among the activities deemed as non-value-added, there are several
that, […] can be considered as “downtimes” for the company and therefore [to]
be eliminated, are forms of micro-pauses for the worker — both physically and
mentally (p. 279).

It is in light of this that we can understand what happens to work processes involving job
reorganization (always with the necessary consequence of job loading) and especially with re-
spect to ergonomics as these of course impact on workers.1 It could be argued that axiomatic to

1. A comparative reference on lean and its impact on workers’ health and wellbeing could be made to the Poland-
UK research on BMW, GM-Vauxhall and VW: see Stewart et al., 2016. It was the last in a series of radical
research utilizing Participatory Action Research. Over a twenty five year period as many as 45 shop floor
worker activist-researchers were engaged in the program exploring the impact of lean on workers and their

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ergonomic changes, and the evident negative consequences for workers, has been the undermining of the 1971 collective agreement, and path dependent, historical collective agreements. It is clear in this case that the full introduction of WCM by means of the Ergo-UAS system necessitates the attack on trade union autonomy, a precondition for independent worker representation in two senses of the term. First, worker bargaining rights based upon the recognition of the inevitable imbalance in social power in all work places and second, worker autonomy based upon freedom from fear of compromise and mobbing by management. WCM/Ergo-UAS undermines workplace pluralism, which indeed can be considered to be a critical objective of the process.

What is more, the report highlights the specific negative consequences of the negation of workplace pluralism by elucidating the actual impact on worker health. This is in stark contrast with a rhetoric extolling the virtues of technological change as scientifically better because technologically and hence socially positive. The evidence belies the rhetoric in so far as it highlights the absence a socially benign system. The system is set up precisely to make worker-centred, ergonomic improvements difficult. Hence,

The risk brought about by Ergo-UAS is obvious: by making the workstations appear as “not uncomfortable” — or by improving their characteristics to make them fall back into low Eaws values — the increase factor is drastically reduced, so that saturation is intensified. In fact, the Ergo-UAS system — from the standpoint of frequencies of actions, estimation of incongruous postures, handling of loads and complementary factors — makes it possible to considerably reduce the risk assessment of a workstation” (Gaddi, 2020, p. 278).

The report is very clear on the outcomes for workers:

Furthermore, the main findings of the in-depth interviews are consistent with the results of the quantitative survey carried out via questionnaires: among the worst factors of work performance we find precisely the increase in workloads (about 60% of total respondents) and the increase in work rhythms (about 50%) (p. 278).

As far as the workstation and ergonomics evaluation, following the introduction of the Ergo-UAS is concerned, only 17.8% of the assembly line workers believe that there has been an improvement (with about 40% indicating a worsening); while the evaluation of times leaves no room for misunderstanding: the 77.3% believes that there has been a worsening; similar percentages emerged regarding the worsening of workloads (78.1%) and physical and mental stress (79.1%) (p. 279)

(Again, comparison with the 2016 Poland-UK research may be useful).

Questionnaires were distributed to random samples of 300 workers in assembly hall areas in each plant proportionally according to the size of shifts and departments. Response rates were BMW-UK (27%); GM-UK (25%); GM-Poland (47 per cent); and VW-Poland (17 per cent). In-depth semi-structured interviews were conducted with the plant Unite convenor, four shop stewards and four assembly operators at BMW-UK; the plant Unite convenor, two shop stewards and seven assembly operators at GM-UK; four Solidarnosc senior union representatives and two assembly operators at GM-Poland; and three Solidarnosc senior union representatives, two assembly operators and one maintenance worker at VW-Poland (Stewart et al., 2016).
3 The Significance of the Report in Wider Context

The significance of the report cannot be underestimated. It illustrates the extent to which the introduction of lean management practices can be understood in the first instance as more than the sum of its parts. If we place this report alongside a number of other worker-centred observations of the impact of lean both in the automotive sector and more widely a pattern emerges. Lean is more than a system of organizational and technical processes. From the evidence presented here and elsewhere we can also interpret lean as a system *exceptionale* representing as it does an attempted transformation of both labour processes and worker orientation to work: thus it can be interpreted as an ideological paradigm. To illustrate the point we can refer to the work of a number of labour movement, social science researchers reflecting comparable results. Despite variations in focus and tone their common point of departure is that they define lean and its trajectory in relation to the contemporary political economy. This could be a fruitful addition to the interpretation of the findings in this report.

The first labour movement approach to lean was developed in the USA by Mike Parker and Jane Slaughter in 1988 in their path breaking project *Choosing Sides: Unions and the Team Concept* (1988). It was here that they introduced the concept of “Management by Stress” which they saw as a way to describe the reason for the seeming paradox of physical and employee breakdown under a regime sold on the basis that it would make work easier and more involving of human ingenuity. Despite the latter incantation, far from being perverse, placing stress on the technical and human system was the means by which management could spot and then eliminate weaknesses in the production process.

The work by Parker and Slaughter was taken to another level by the CAW (Canadian Auto Workers union) in the late 1990s. Based upon substantive workplace controls of management practices a number of agreements allowed the union to monitor the impact of lean on workers and union autonomy across Canada. The work of the CAW research department lead by David Robertson was brought together in a number of reports including, famously, *Just Another Car Factory?: Lean Production and Its Discontents* (1997) by Jim Rinehart, Chris Huxley and David Robertson, and in a remarkable DVD on labour reorganization and lean at CAMI (a GM-Suzuki joint venture in Ontario). Continuing this work in the UK, a network of shop floor trade unionists and labour researchers working together under the auspices of the Autoworkers Research Network centred on the GM-Vauxhall plant in Liverpool and the Rover plant in Oxford undertook a twenty-five year longitudinal study into the consequences of lean on workers’ health and social life within and beyond the assembly plants. This work — *We Sell Our Time No More. Workers’ Struggles Against Lean Production in the British Car Industry* — was published in 2009 by Paul Stewart, Mike Richardson, Andy Danford, Kenny Murphy and Vicki Wass.

4 Lean and the Wider Context. Lean and Political Economy of Neoliberal Turbulence

A broader picture of lean has been drawn by the French labour sociologist Jeanne-Pierre Durand’s description of the era in which we are living as the time of the lean society. If we remain at the level of political economy we can see that lean’s impact in respect of material changes to work and labour processes also can be interpreted as an ideological formation and the motor of neoliberal turbulence, at once a driver of the crisis of over production and a response to it. At the level of the political economy, lean engenders a particular link between a range of manage-
ment regimes requiring stress to systems, institutions and individuals. One could argue that it is critical to the contemporary character of the turbulence driving neoliberal retrenchment-restructuring (Benanav, 2019).

5 The Debate about Lean Production. Japan, Lean and the New Universalism

Exploring the diverse history of our understanding of lean production may require a different optic from the one chosen by radical critics in the late 1990s, some few years after publication of The Machine that Changed the World (1990). The latter gave us a factionalised account of the nature and origins of the technical-cum-organizational pre-eminence of Toyota’s production system which was described in the now immortal term as lean production. The fact that initially this was largely a debate within the Anglo-sphere went generally unremarked by lean’s advocates. By contrast, many critics, but by no means all from within the labour movement, were quick to link Toyota production strategies to local historical, socio-economic, not to mention cultural, factors. From the beginning of 1990s while the majority of the critics were university researchers in many instances others had strong links to labour movements in various countries. As pointed out above, the ground breaking work articulating innovative worker centred responses to lean was conducted by the Detroit based pair Mike Parker and Jane Slaughter whose Labor Notes team cut right through the heart of the rhetoric advanced by the Leanistas. While Labor Notes led the way the still unsurpassed Canadian Auto Workers Union (CAW) team led by David Robertson, as we noted above, took a trade union agenda to hitherto unsurpassed heights in so far as the response-engagement-rejection of the ideology of lean was central to the policy trajectory of a major union centre.

This ideology takes two forms. (These have in effect been highlighted in FCS report). First, lean is ideologically benign since it is based upon the (supposed common good) of technological improvement and therefore can only be understood as being socially neutral. Second, following on from this, lean is inevitably a win-win solution to a crisis of profitability. Surely the lean solution to the problems posed by sector decline is a solution which is good for everyone, workers and managers alike. Thus there can be only “one best way”, “working smarter not harder”.

6 Lean. Technology and the Political Economy of Workplace Control

Predictably, lean’s protagonists routinely have dismissed their various critics as supporters of inflexibility, traditionalism and an out-dated view of society as driven by class struggle. While their rhetoric had traction within governments especially in the US and the UK, in particular amongst the Thatcher and Blair new Labour generation (and indeed within trade unions), in their own way lean’s critics may have under-explored the nature of problem facing the automotive sector. Many critics had either missed or insufficiently acknowledged a critical aspect of the genesis of Womack et al.’s lean production narrative (1990) (see Tony Smith, 2000, for a


3. For significant academic critique of the social and political economy character of the lean production paradigm, see the work of the Gerpisa network (1993), notably Boyer & Freyssenet, 2000; Durand, 2007; Charron & Stewart, 2004; Jurgens et al., 1993.
political economy critique). This was not the conceit that it was indeed leaner, more efficient in respect of resource allocation and achieved greater capacity utilization. None of these were in dispute. Rather, what was at issue was that lean could resolve the problems confronting the sector and by extension company problems and hence (eventually) the wider economy. While the producers themselves might have been more sanguine about the rhetoric coming from a number of their cheer leaders within the academy, nevertheless for the last thirty years lean has continued to provide great copy for the promotion of the new technical and organizational systems the firms were developing. What was unintentionally diversionary was the other side of the story, the make-believe side which was that there really only was “one best way” for the new management system to work.

One could argue that it is this conceit that lies at the heart of the FCA agenda. Clearly this is not One Best Way to work. Qui bono would be a useful rule of thumb here. If we take the UK as a prime example it is evident that adopting lean is not only not the best way for workers to work (Stewart et al., 2009), but it isn’t the best way for a plant to thrive. Of all the automotive assembly plants that adopted lean beginning in the 1980s only two have survived and then only after profound changes including ownership: the GM-Vauxhall plant in Liverpool, now owned by PSA, and the former Rover plant in Oxford, now owned by BMW.

7 Challenges to Lean and the Fate of Trade Union Engagement

Despite the obvious problems it has caused for workers and their lives outside the factory, critics have probably underestimated how difficult it would be to challenge lean because they assumed that the rhetoric of positive change was inherently superficial, falling down as soon as the reality of its outcomes were known. Confronting it using traditional trade union strategies thus would be reasonably straightforward. Yet while it would be fair to argue that the reasons for this where understandable at the time the fact is that lean *was* more efficient, including the utilization of resources from raw material to equipment and human labour. However, while it was a response to the problem of declining profitability resulting from over production and excess capacity, rather than resolving these, lean has more than exacerbated them. It was only when we began to look more widely at the costs of lean beyond the factory gate that its greater (in)efficiency would become evident (Stewart et al., 2009).

There is now a solid literature worth consulting if mostly from an Anglophone environment, but it is labour focussed based upon the activity of shop floor trade union representatives and labour activist researchers.4

8 How to Respond to Lean. A Labour Centred Agenda

Finally, if lean is more than a factory strategy, more than a fad and certainly more than a sector phenomenon, then it will take more than both local and traditional means to confront it. For sure, the local and the traditional are vital and mobilization and strategic prognosis are implicitly central to the report. The issue might therefore be how local and how traditional will labour strategies be. In fact the response can be both innovative and path dependent. In the study conducted by the union research network in Liverpool and Oxford UK, the Automotive Workers Research Network, from the 1990s until recently, it was found that out of three

4. In addition to the publications above, see inter alia: Stewart et al., 2016; Brenner et al., 2004; Canadian Auto Workers (CAW), 1990; Carter et al., 2013.
possible responses to lean — rejecting it completely, embracing it entirely, or engaging with it robustly — ironically it was the latter which proved to be likely to pay dividends for the union and its members. In the study, union training of shop floor stewards/delegates and union members in the ideology of lean was very important when confronting its deleterious effects. But challenging lean also, of course, required union alternatives in terms of organizing labour time including job rotas and on-the-job accountability. It required the union to think outside the framework of straightforward opposition — to go beyond seeing lean as a management fad or just a simple change in production requirements.

Of course, there are and will continue to be other sound examples of effective union responses to lean yet by far the most incisive would appear to be those that challenge the rhetoric of lean with respect to employee efficiency, benefits and win-win outcomes. Gathering data on worker injuries, within and beyond work following the introduction and operation of lean is critical since it shows that rather than resulting from improperly introduced lean management strategies injuries are, to remind ourselves of the injunction by Parker and Slaughter, vital to the success of Management by Stress. Injuries are a necessary part of the process. That is how weaknesses, technological and human, can be found and eliminated.

Thus, it must be important that the union develops, via network research and information gathering, a bench marking agenda of workplace health & safety and worker wellbeing. This can be a means by which “health and sickness dumping” are refracted back to the firm rather than supported through social wage (health and social care provision for injured workers).

This all requires recognition that lean was going to be as critical to contemporary capitalist production as was Taylorism. Thus, the union in the case in point, UNITE the union (formerly the TGWU), accepted lean proposals on the basis that the union should have some degree of control (and where not) critical engagement with management on proposed changes to production, the utility of labour including support for workers unable to work to the tough schedules dictated by lean. Their approach offered one solution based upon a perspective of democratic accountability from conception to execution — the motto of some was “it’s democracy stupid!”

This important report by Matteo Gaddi, in a clear and insightful way, indicates the significant distance that exists between worker accounts of their working lives and managerial narratives and as such is testament to the fact that management’s lean narrative is, amongst other things, a powerful ideology of workplace control and subordination. Another way of putting this might to be say that the report illustrates the extent to which lean practices are in themselves ideological.

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Paul Stewart: Department of People, Organizations and Society, Grenoble École de Management, 38000 (France)

https://orcid.org/0000-0003-1994-1102
paul.stewart@grenoble-em.com; https://en.grenoble-em.com/directory/paul-stewart

Paul Stewart is a Senior Research Professor Sociology of Work and Employment, Department of People, Organizations and Society, Grenoble École de Management, Grenoble, France. He has been researching the impact of lean production on automotive workers for over two decades, working with assembly workers and UNITE at national and plant level. He is a member of UNITE the union and a delegat, comité d’entreprise at GEM. He is also a member of the Critical Labour Studies network. He is co-author of We Sell Our Time No More (Pluto Books), a critical sociology of the struggles of car workers against lean production in the UK automotive industry. He was editor of the British Sociological Association’s journal Work, Employment and Society (2001–2004), comité de redaction de Nouvelle Revue de Travail (Paris), and Capital and Class.