

# Sociology of Work

## New models of organization within firms

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# A classic model: taylorism-fordism

- Taylorism – model of work organization
- Fordism – model of production and a regime of accumulation
  - stable macroeconomic growth
  - *virtuous circle* of growth: mass production, rising incomes (increasing mass demand), rising productivity (economies of scale)
- Fordism - Keynesianism: a regime of regulation
  - Capital vs Labour: managed through union recognition, collective bargaining, wages determination (connected to productivity growth), job protection, regulation of work
  - Company-level / industry-level + National-level

# A classic model: main characteristics

- Mass production of identical and standardized products
- Reduced innovation (rigid models) and R&D
- Large production lines, bureaucratization
- Taylorism and technology in the assembly line → specialized machines, high output
- Competition based on prices
- Emphasis on productivity and cost-reduction
- Stock accumulation
- Homogeneous raw material and abundant labour

# The times they are a changin'



# New demands, new forms of production and organization

Rapidly changing markets → new consumer demands → limits to mass production

- Quality
- Diversity/variety, innovation, individualization/customization, on-time delivery

## Quality-related

- Quality inspection: separate from the assembly line (final inspection/at random sample)
- A lot of faults were not detected ... Rectification was very expensive + waste/scrap

## Inflexibility/slow response to market demands

- Model changes required long development
- No variations in the model were possible

# 'New' workforce, new forms of labour regulations

## Labour problems/ a new wave of industrial conflicts:

- Motivation doesn't only result from maximum earnings for effort
- Psychological and social needs were ignored

## Homo economicus+homo socius

- Ignored the workers' tacit skills, their creativity and full potential
- Ignored the worker as a human being
- Ignored the hidden costs associated with absenteeism, sloppiness and sabotage

# New forms of work organization

Innovation of production processes and organization among firms, especially those subject to global competition, uncertainty and complexity

- Neo-taylorist
- Lean production / Lean management
- Anthropocentric / Humanist

# *Lean* production/management

## *Lean* model

- Reduced use of resources (incl. human resources)
- Minimization of movements, space (e.g. for stocks) and time needed
- Stocks (*just in time*), defects and waste, production chains

In the service sector usually termed *lean management*



# The Japanese miracle

- Competitive products (from 3% (1963) to 29% (1980) of global market share)
- Competition based on quality, as well as price
- Strong work ethic and culture
- Cooperative labour relations
  
- *Toyotism*

# Lean production/management

- Focus on value added (all else is eliminated)
- *Just in time* production with *zero stocks*: reduction of space/paperwork
- Eliminating waste and achieving 0 defects: quality control is part of the production process (Total Quality Management):

Internal costumers along the production chain

Quality is part of the company values: checked by workers

Quality cycles

Kaizen

# Lean production/management

- Kanban and e-kanban (visualization of the stages of production)
- Worker/team empowerment to identify problems and search for solutions
- Tapping into workers' knowledge to achieve continuous improvement (kaizen) and to eliminate defects and waste
- Integration of subcontractors and their involvement in product development
- Development of corporate values around cooperation and consensus
- Flat and flexible structures
- Quantitative and (limited) qualitative flexibility
- Interdependency

# *Lean* production/management

<https://www.youtube.com/watch?v=3Rdbo8WZauk>

<https://www.youtube.com/watch?v=6xh61G6lkwY>

# Lean production/management

The ideal worker under this model

- Dedicated to and identified with the company
- Driven by objectives
- Flexible (broader tasks) and multitasking
- Fully available for the company's needs



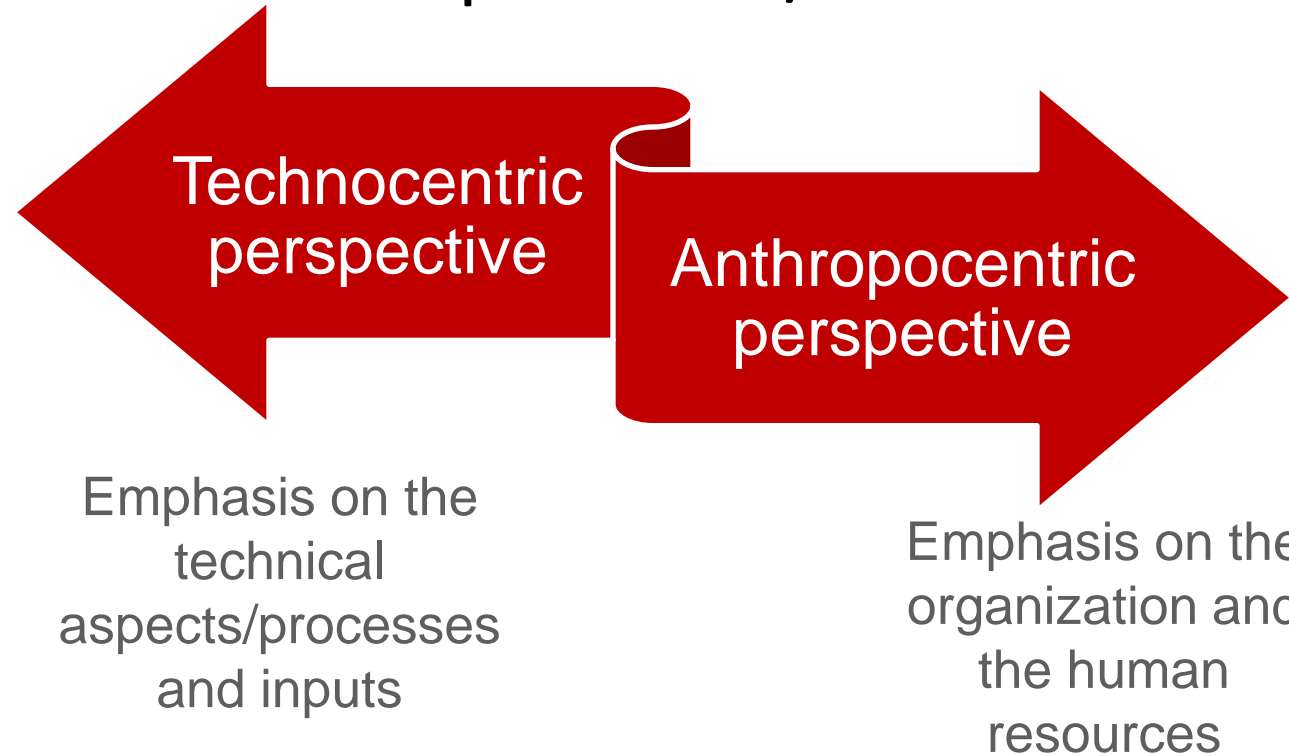
# Lean production/management

## Implications:

- Quantitative flexibility
- More responsibilities (from different tasks) and not necessarily greater empowerment: multitasking and not multi-qualifications
- Inequalities (dualism) in career progression and qualification: low qualified are marginalized
- Kaizen → mostly aims to rationalize production times and processes and to reduce workforce to the indispensable
- High degree of control: technical and social (company values) → management by fear
- Unions are kept at arms length
- Intense working pace, long working hours and stress → poor health

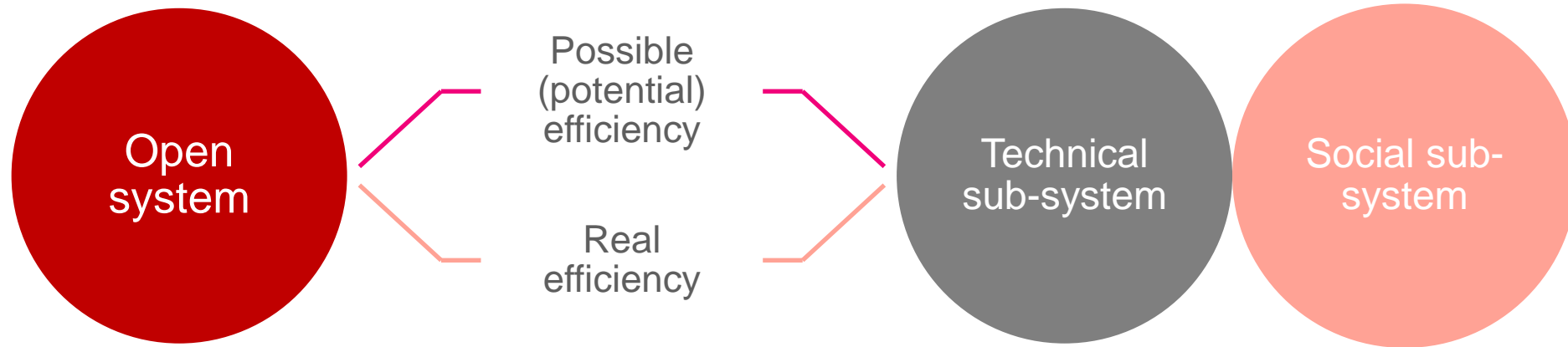
# Anthropocentric / Humanist

Criticism of *lean* models: anthropocentric/humanist



Developed in the Nordic countries (Volvo)

# Anthropocentric / Humanist



- Open system: interdependency with the surrounding environment/context
- Technical sub-system: includes the production process, layout, equipment and technology. Determines the possible (or potential) efficiency of the organization
- Social sub-system: social relations, attitudes, norms and values, competences. Determines the real efficiency of the organization.



# The Volvo Experiment

- Taylorist principles of production, but...
- Lack of quality
- Labour conflicts and high absenteeism
- New principles of work organization (Socio-Technical school)
- Kalmar factory
- Remaining competitive, even during periods of economic crisis

<https://www.youtube.com/watch?v=aI7ornrCKnM>

# Anthropocentric / Humanist

How it works:

- Development of competences and qualifications: continuous learning on the job, workers have multiple competences
- Qualitative flexibility and internal labour markets (filling from within)
- Rotation of tasks and functions (e.g. leading teams): responsibility for planning and not just execution
- Flexible and decentralized production system
- Refusal of technological determinism: adjustment between social and technological system
- Holystic system: not just social and technological, but also with the surrounding environment/context

# Anthropocentric / Humanist

How it works:

- Workers are mobilized for change: strong union participation, social dialogue, workers participate in decision-making
- Flat organization and flexibility
- Decentralized autonomy – working groups
- Work is interesting and challenging
- Secure employment
- Reduction of working schedules, conciliation of work and family life
- Technology is adapted to respond to the needs and capacities of the workforce

# Anthropocentric / Humanist

(also dubbed “discretionary models”) Mostly present in innovative sectors, Nordic countries

Obstacles (in industrialized countries):

- R&D focus on technological development
- Management techniques focus on racionalization of processes/workforce (downsizing)
- Organizations are rigid: payment (incentive) schemes, qualifications
- Degree of social dialogue (low)

# Anthropocentric / Humanist

## Obstacles in Portugal:

- Competitive advantage/specialization based on low-wages/costs;
- Low education/qualification, especially in the industrial sector
- Capital and labour: bargaining process centred around quantitative aspects (e.g. wages) instead of qualitative aspects (qualification, work organization);
- Confrontational labour relations
- Limited innovation & diversification/technocentric perspectives → traditional management methods, hierarchic structures
- New forms of work organization and participatory management are not widespread (limited worker involvement in change processes)

# Comparing models

Characteristics	Neo-Taylorism	Lean production	Anthropocentric
<b>Organizational structure</b>	Vertical integration. Rigid hierarchy, centralized control Direct supervision.	Operational decentralization. Flat organization, low status differences Subcontracting based on power	Decentralization of decisions Flat organization, low status differences Subcontracting based on partnership
<b>Principles of work organization</b>	Strong division of labour. Individual, simple and fragmented tasks Multi-tasks (limited task rotation) (eventually)	Team work organized around a team leader; Task enlargement, simple multitasks.	Semi-autonomous workgroups, task enrichment, complex tasks, organized according to socio-technical criteria Multi-skilling
<b>Communication, Participation and Labour Relations</b>	Centralized communication. Top-down. Low/no participation. Adversarial Labour relations	Decentralized communication Bottom-up Mechanisms of involvement. Marginalization of trade unions Labour relations based on compliance/consensus	Decentralized communication Bottom to up. Mechanisms of participation (direct and indirect). Labour relations based on cooperation.
<b>Human resources</b>	Lower education Quantitative flexibility	High education Quantitative flexibility and partial qualitative flexibility	High education Training for polyvalent functions Qualitative flexibility
<b>Production volume</b>	High volume/large scale production	High volume, just in time and flexible production	Production in small batches and prototypes

# An important distinction

<b>Involvement (Lean Production)</b>	<b>Participation (Anthropocentric)</b>
Encourages suggestions and ideas to eliminate waste and optimize production	Encourages collective results. Suggestions to optimize production and strategic aspects (training, work organization) Direct and indirect participation
Multi-tasking	Task enrichment
Flat organization, but with defined positions/hierarchies	Flat organization Semi-autonomous teams
Management of corporate culture Firm/workers have a common interest Individual negotiations	Social dialogue and collective bargaining Democratic working relations

Source: Adapted from HYMAN, J. & MASON, B. (1995), Managing Employee Involvement and Participation, Sage: London, p.25.

# New forms of work organization

- ✓ **Anthropocentric / Humanist** (inspired in the Nordic countries) focusing on the human factor and including qualitative flexibility (Socio-Technical school, quality of work life).

Objective: Improving performance and quality of work life.

High Route of Organizational Renovation

- ✓ **Efficiency-centred** (inspired in the Japanese and American examples) focusing on increased competitiveness and (mostly) quantitative flexibility.

Objective: Increasing flexibility and cost-reduction.

Low Route of Organizational Renovation

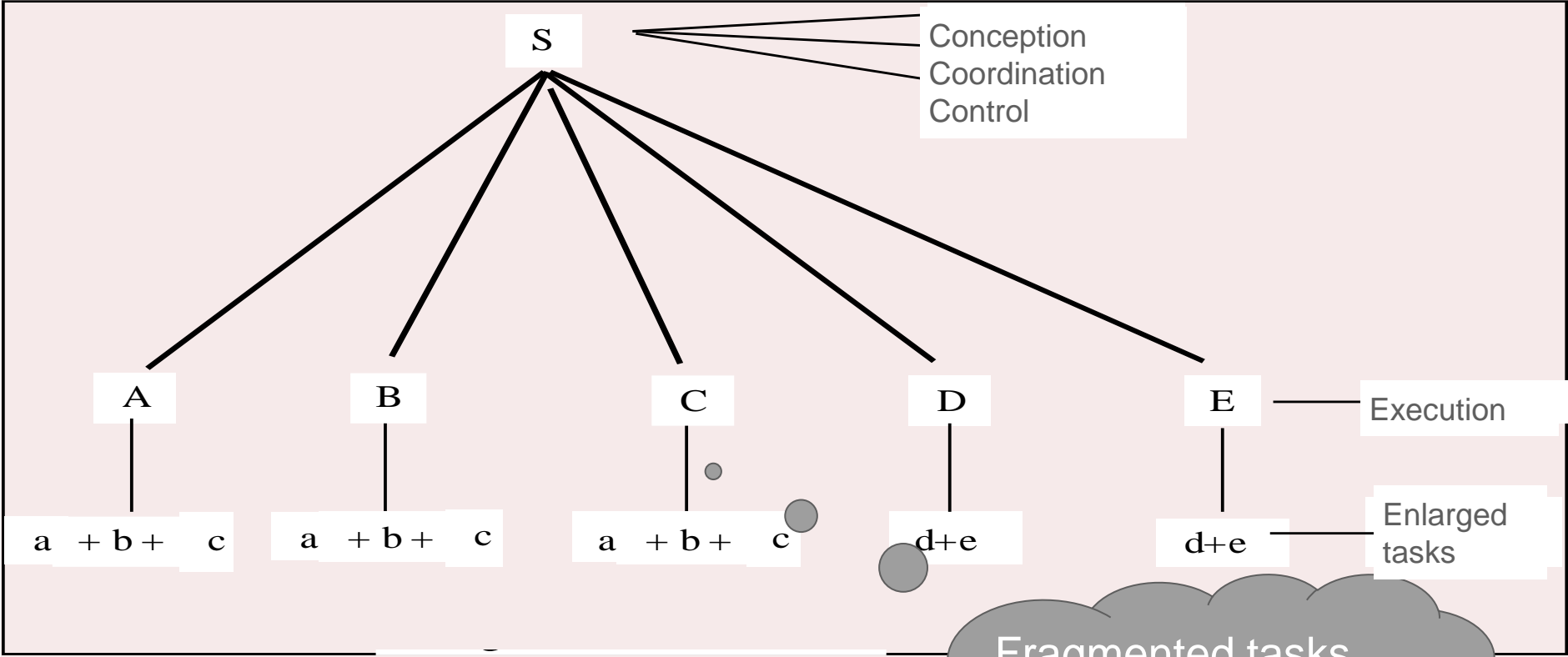
(Oeij e Wieser, 2002)



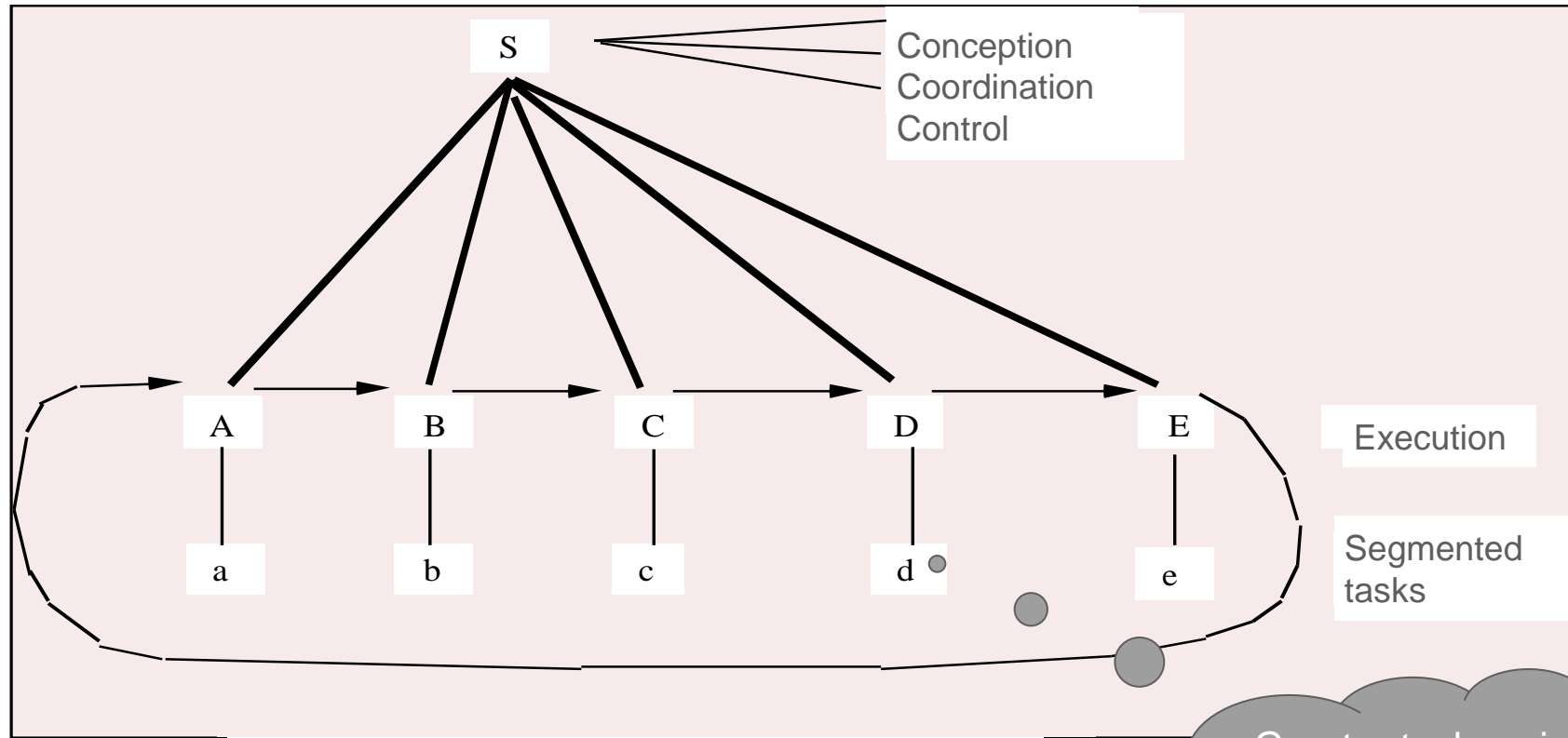
# Examples and elements of the new forms of work organization



# Task enlargement

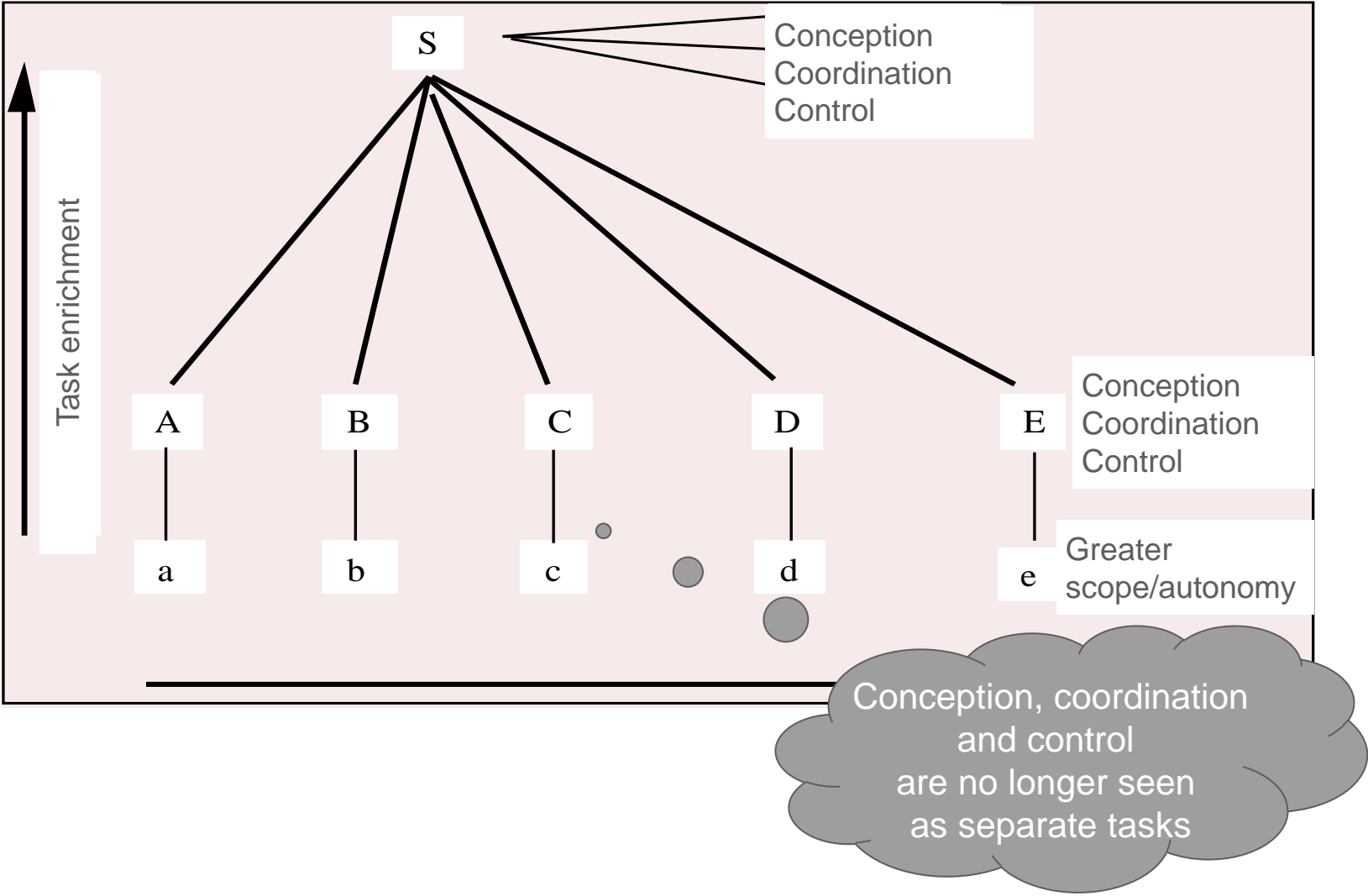


# Rotation of tasks

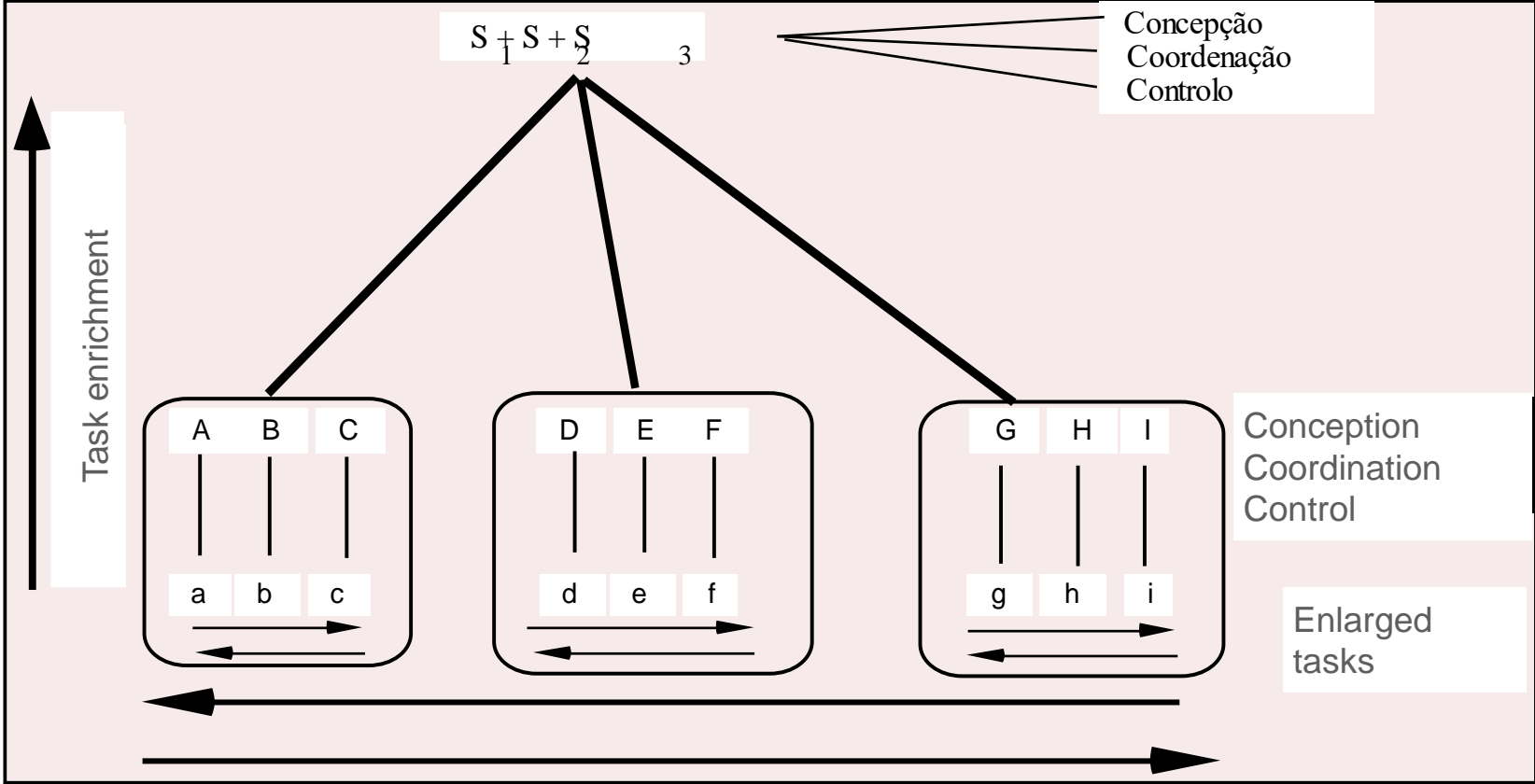


Greater task variety requires multi-skilling

# Task enrichment



# Semi-autonomous teams



# Organisational Modes

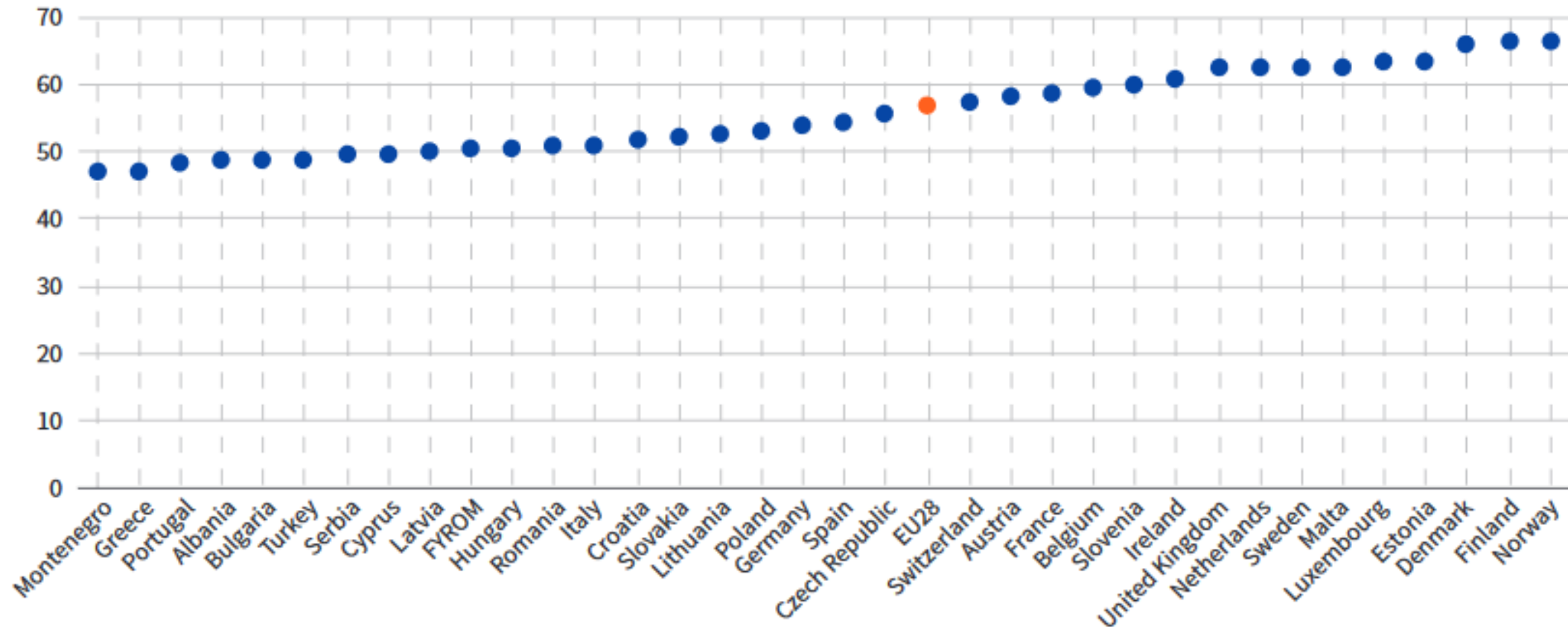
Percent of employees by organisational type/class, per country (2000)

	<b>Discretionary learning organisation</b>	<b>Lean production</b>	<b>Taylorist organisation</b>
<b>Belgium</b>	38,9	25,1	13,9
<b>Denmark</b>	60,0	21,9	6,8
<b>Germany</b>	44,3	19,6	14,3
<b>Greece</b>	18,7	25,6	28,0
<b>Italy</b>	30,0	23,6	20,9
<b>Spain</b>	20,1	38,8	18,5
<b>France</b>	38,0	33,3	11,1
<b>Ireland</b>	24,0	37,8	20,7
<b>Luxembourg</b>	42,8	25,4	11,9
<b>Netherlands</b>	64,0	17,2	5,3
<b>Portugal</b>	26,1	28,1	23,0
<b>United Kingdom</b>	34,8	40,6	10,9
<b>Finland</b>	47,8	27,6	12,5
<b>Sweden</b>	52,6	18,5	7,1
<b>Austria</b>	47,5	21,5	13,1
<b>EU-15</b>	39,1	28,2	13,6

Source: EUROFOUND, 3<sup>rd</sup> European Working Condition Survey in OECD (2010) Innovative Workplaces, OECD, Paris, p.40

# European Working Conditions Survey 2015

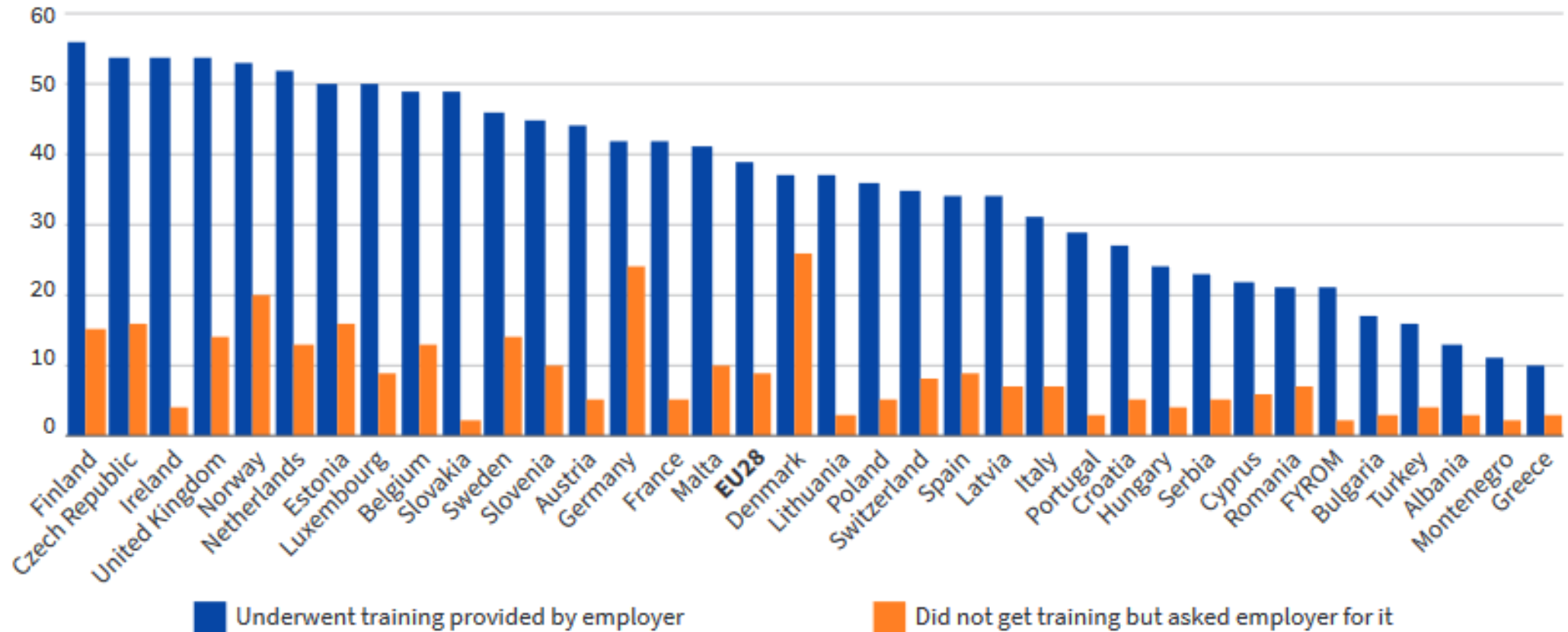
Skills and discretion index, by country (2015)



Source: EUROFOUND (2017), 6<sup>th</sup> European Working Condition Survey, Figure 66

# European Working Conditions Survey 2015

Access to employer-provided training, by country (2015)

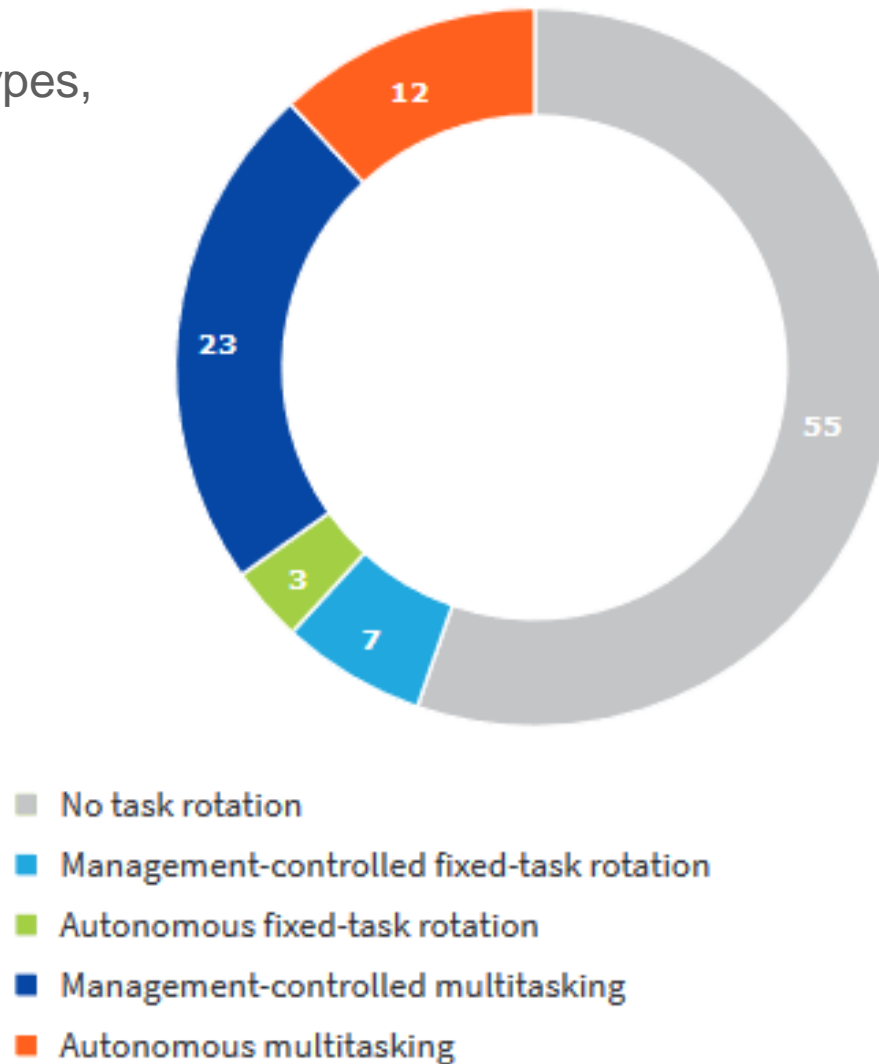


Source: EUROFOUND (2017), 6<sup>th</sup> European Working Condition Survey, Figure 70



# European Working Conditions Survey 2015

Task rotation types,  
EU28 (2015)



- High percentage of task rotation: DK (77%), SI (72%) and NL (64%)
- Low percentage of task rotation: LV (32%), IT (28%) and HU (26%)
- Younger workers, services and sales and healthcare → higher task rotation

Source: EUROFOUND (2017), 6<sup>th</sup> European Working Condition Survey, Figure 78

# Essential reading:

Berggren, C. (1992), “The assembly line regime and the Volvo trajectory”; in C. Berggren, *The Volvo Experience: Alternatives to Lean Production in the Swedish Auto Industry*, Houndmills/Basingstoke, Macmillan, pp. 3-17.

Berggren, C. (1992), “The evolution and transplantation of toyotism”, in C. Berggren, *The Volvo Experience: Alternatives to Lean Production in the Swedish Auto Industry*, Houndmills/Basingstoke, Macmillan, pp. 22-55.

The CORE team (2017): *The Economy: Economics for a Changing World*, UNITs 3.9 and 3.10: <http://www.core-econ.org/the-economy/book/text/0-3-contents.html#contents>

Grote, G. & Guest, D. (2017) The case for reinvigorating quality of working life research, *Human Relations*, 70(2) 149–167.



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## The case for reinvigorating quality of working life research

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# Work organization and gender equality

**Project 'Break even' - promoting gender equality in business**

<https://www.youtube.com/watch?v=teaWcpsaUFU&t=706s>

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