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## Response to Reviews of New Worlds of Work

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## **Response**

### **Response to Reviews of *New Worlds of Work***

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‘How is it possible to control for the myriad differences across the plants chosen?’ asks Sarosh Kuruvilla in his review of our book. Indeed, this was a major challenge for our

study. We tried to make the comparative analysis consistent by focusing on the same multinational companies and by applying the same analytical design in all countries. We did not try, however, to develop a closed theory, and rather combined different theoretical perspectives within a relatively loose framework. We were also only too curious about the new worlds of work in the BRICs (Brazil, Russia, India and China) and we tried to remain open and sensitive to any new aspects that popped up during our research. We felt that we needed an exploratory and, in Chris Smith's words, open-ended approach.

The need to balance openness and coherence also influenced our research design. Our aim to analyse the evolution of human resources management (HRM) concepts and production systems required us to speak to all the major actors whose interests, perceptions and strategies drive the evolution of standards, rules and practices in the workplaces: expatriate and local managers alike; both plant management and trade union representatives; the top managerial layers as well as the shop floor supervisors and workers; and experts from different functional areas of the factory (production, human resources (HR), training, industrial engineering, quality control and others). This comprehensive approach allowed us to triangulate data and to validate our interpretations in discussions with different groups of actors, but it also represented a limitation of our study. While we interviewed workers in all four countries and included questions related to the living and working conditions, we could not fully capture the diversity of workers' living conditions, perceptions and views based on social background, education, gender and other factors.

One of the general conclusions of our study was that the HRM concepts and production systems implemented in the factories we studied suggest considerable potential for high-road development. Barnes contradicts this and emphasises the evidence regarding the extensive use of precarious employment forms and the weakness of union rights in the BRICs (see Barnes, 2018). The point is well taken, but we do not see that it necessarily contradicts the high-road argument.

Of course, we did find precarious employment in nearly all of the factories we studied. Yet these employment forms were used for different reasons. Often they represented a – sometimes very long – phase for selection and transition into regular employment (see Smith and Pun, 2018). Many of the factories included in our study were strongly growing and increasing staffing levels. In other cases, precarious employment forms were used for cost reasons, for instance, in the case of interns from vocational training schools, who were often working as underpaid auxiliaries in direct production.

Union rights are undoubtedly another critical issue regarding the prospects for high-road development. The most interesting element of our analysis in this respect was the efforts of Volkswagen to support the emergence of employee representation structures similar to the German works councils. We are aware that the Volkswagen case differs from many other automobile manufacturers. In addition, our study shows the extent to which the conditions for workplace union strength differ among and within the BRIC countries.

While we fully agree that the expansion of precarious employment and the weakness of trade unions might lead to a low-road trajectory, our study shows the tensions and contradictions associated with the HRM concepts and production systems in the automobile plants in the BRICs. The modernisation of products and production systems in the BRIC factories is creating a huge demand for skills and stable employment structures that has the potential to also strengthen the position of labour representatives in the plants

(see Liu and Kuruvilla, 2017). Even the domestic low-cost producers in the BRICs are investing in training and personnel development. Pure low-road strategies aiming at minimising labour cost through precarious employment and anti-union policies risk generating low productivity and quality. As our study shows, companies pursuing such strategies suffer from high labour turnover, absenteeism and labour disputes.

These tensions and contradictions led us to the admittedly optimistic conclusion that the BRIC factories are not currently locked into a low-road model. We argue that investments in skills and personnel development will only be sustainable if the companies manage to stabilize their workforce and create consent. The need to improve the skill base – together with pressure from the labour side – could open the door for a high-road trajectory. However, this development should not be taken for granted, and huge differences continue to exist in labour standards in automobile factories and in supplier plants down the value chain. The focus on automobile manufacturers at the top of the value chain is one of the major limitations of our study. While we see that the upgrading of products, production systems and HRM concepts in automobile plants has the potential to foster positive developments beyond the factory gates, we are far from convinced that the automobile industries in the BRIC countries as a whole are on the high road.

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