

## **It Cuts Both Ways: Workers, Management and the Construction of a “Community of Fate” on the Shop Floor in a Mexican Garment Factory**

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### *Abstract*

*Most studies of lean production are based on surveys of managers. This article examines the labor process under lean production at a high-end garment factory in Central Mexico through ethnographic research, consisting of nine months of work at the factory, and in-depth interviews with 25 managers and 26 workers. I found that implementation of lean production is a complex organizational and social phenomenon. I argue that besides a focus on quality, just-in-time production and flattened hierarchies, lean production is based on a management-sponsored “community of fate” ideology. In this case study, the “community of fate” ideology constructed by managers – with its discourse of loyalty and sacrifice and its buttressing corporate welfare programs – convinced workers to extend their physical, intellectual and emotional labor to the firm. What managers failed to fully understand was that in workers’ eyes, the “community of fate” belief also tied the firm to the workers. When management reneged on this social pact, workers not only resisted management’s efforts to regain control over the shop floor, but also actively used the team system to thwart the firm’s economic viability. In the end, instead of controlling workers, lean production facilitated worker radicalization and mobilization.*

On March 15, 2001, at 3 p.m. sharp, we walked out on strike. It had only been three months since I had graduated from the month-long training at “la escolita,” the little school. I had come to see how a successful lean factory worked. The Mexican garment factory had been reorganized five years ago around lean production techniques, such as self-managed, quality-at-the-source, and just-in-time production, all to assure efficiency and quality. On the shop floor I joined two teams. During my months at the factory, I ironed, followed the flow, and helped with repairs in my role of participant observer. I later interviewed workers and managers.

The day of the strike, I was so nervous that I had lost track of time. Lupe, my teammate, tapped me on the shoulder. “It’s time to go,” she said in a calm voice. Around us, machines stopped as women and men of all ages got up and walked outside to a loading dock for a union general assembly. The words of one strike committee member pierced the air: “I’m a single mother just like most of you and I am not afraid of losing my job. The company has fired the entire second shift, failed to restore benefits we froze last year to help them out and now they want to renege on wage increases. Let’s declare ourselves on strike *compañeros* y *compañeras*. We are in this dance together.”

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We stood in the hot sun for what seemed an eternity debating whether to put up the red and black flag. The Cutting Department, mostly male, still working on piece-rate and earning a higher wage, did not want to go on strike. The other 70% of the workforce consisted of women who had been reorganized into teams. They yelled at the men, "You better back us up because you are next! Teamwork got us in this mess. And Cutting is next." The men were reluctantly convinced.

Meanwhile, the strike committee was talking to the labor authorities. Word came down that if we put up the flag without their witnessing it, the state would declare the strike illegal. Others yelled, "But without the flag we are illegal!" No one knew what to do. In addition, the labor authorities gave contradicting information. It was decided that workers would guard the facilities so that management could not sneak out products or machinery while the strike delegation sat at a table with company representatives and state labor authorities. In the end, the state arbiter convinced the delegation not to declare a strike because doing so would "officially and unilaterally end negotiations." If the talks did not work, the flag could go up immediately. At least that is what the state arbiter said. However, after 72 hours of wrenching and intimidating "discussions," the union and company signed a contract against workers' wishes. Then the same arbiter who brokered the deal declared the strike illegal: either return to work or be fired. After the fact, we learned several local arbitration boards to break other strikes around the country had used this delaying tactic.

Workers reluctantly returned to work. They protested the collusion between the state, company, and corrupt union in almost daily marches in the streets and meetings outside the factory gates. An independent union was elected, but the state and company refused to accept its legality. In protest, women and men workers shut down a major city avenue on April 4<sup>th</sup>. The governor sent in the military police – with dogs, batons, and tear gas – to break up violently the peaceful sit-in.

When we returned to work the next morning, over 30 military police in riot gear lined the company entrance. That morning my mother insisted on taking Maria, a neighbor and co-worker, and me to the factory. We pretended not to be afraid as we walked through the outside gates. Many other parents were there; husbands, too. The moment of truth arrived: 7 a.m. Confused and humiliated, we lined up, showed our identification cards and entered the factory gates as the Human Resources Director stared each one of us down. Parents and husbands went home.

After the failed strike attempt, workers struggled to remain united. Work slowdowns sabotaged the lines, but the costs of organizing were too high. Leaders, or anyone suspected of being one, were fired. Managers at all levels pressured workers to turn in "troublemakers." In the end, it was your job or your neighbors' job. Company spies were said to be everywhere. What had once been one of the highest paying and most cutting-edge factories had become a war zone. Several of my female teammates just stopped showing up at work. The stress on the shop floor and the interminable demonstrations and rallies had worn down their spirit of resistance and solidarity. "It's just not worth it," they told me.

Five months after the strike the company reorganized its production lines again. On August 16<sup>th</sup> management announced new rules: no more teams, no more leaders, no more moving around the shop floor. As it had been previously under Taylorist work organization, every worker would be individually responsible for his or her quota. An enhanced hierarchy of supervisors was to assure smooth running of the line, now traditionally organized. The only remaining sign of lean production was the emphasis on quality. Each worker was still responsible for his or her own and the previous workers' quality, with task sheets to direct the flow and display each person's action on the product. Furthermore, a new layer of quality supervisors was set up. Quality supervisors roamed sections randomly checking quality, returning bundles with errors and ensuring all workers were following the correct work

method within the standard allotted minutes. At the same time, production supervisors followed the flow and dealt with absenteeism, turnover, and anything else which would affect the final product leaving the line. Management had learned a valuable lesson during the strike. They had lost – in their own words – “control of the shop floor” – under teamwork. The lesson learned: controlling the workforce was more important than being cutting-edge.

When I planned my research, I never expected to participate in a strike; neither did my co-workers at Moctezuma.<sup>1</sup> This was to be a study of a successful, well-established, national garment factory in Central Mexico which, in 1996, had reorganized its production around Japanese-inspired lean production methods. For five years, managers relinquished authority and workers participated in the new production system. To secure consent, management employed the strategy of constructing a “community of fate” along the lines envisioned by organizational theorist Robert E. Cole (1979), seeking to tie workers to the firm through expanded benefits and paternalistic programs. In effect, workers and management entered into a normative pact to make the new system work. Yet five years after implementation, the experiment ended in a strike and a retreat to a hybrid form of Taylorist assembly-line production. In this article, I build upon the concept of “community of fate,” first discussed by Cole (1979) and later invoked by Besser (1996), to show how such a normative agreement was central to the success and unraveling of lean production at Moctezuma.

Economic sociologists claim that to compete internationally, firms would do well to reorganize around lean production forms (Gereffi 1999; Gereffi and Kaplinsky 2001; Kaplinsky 1994; Sabel 1996). In this case, I found that implementation of lean production is a complex organizational and social phenomenon. For lean production to work, both workers and managers must believe that their interests and the interests of the company are synonymous. I will argue that the construction of a “community of fate”, a neglected concept in the economic sociology literature, is central to the success of lean production in today’s volatile global economy. Without the belief of interdependence to bind workers and managers together during times of economic downturn, it is nearly impossible to sustain a functioning shop floor organized around consent rather than direct control. To demonstrate the importance of a “community of fate” belief, I will show how the labor process at Moctezuma was transformed through lean production and the factors that led to its demise. After five years of prosperous implementation, management broke the normative agreement that sustained the notion of a “community of fate.” It was only at this point that the workers refused to consent to the industrial relations regime established, using the tools learned through lean production to undermine the firm.

This research is based on in-depth semi-structured interviews with 26 managers and 25 workers in addition to participant observation carried out from October 2000 to July 2001 at a large national garment factory in Central Mexico. All the in-depth interviews, and many informal conversations, were tape recorded with subjects’ consent, thus allowing me to represent more accurately diverse views and experiences. Moreover, all research was overt, premised on openness and honesty. Permission was obtained from both managers and workers to enter the factory as a new worker, commencing with training and then placement on the shop floor. To capture more fully the advantages and pitfalls of teamwork, I participated in two teams, one considered the worst and the other among the best in terms of coordination and productivity as defined by department heads.

Through daily interaction with workers at the bus stop, shop floor, cafeteria and outside the factory gates, workers accepted me as a friend *despite* my privileged status as a middle-class, highly educated Latina. At the same time, managers embraced me *because* of our shared privileges (on more than one occasion we discovered our kids went to the same schools and doctors) although they did not understand why I had to labor as a worker, and without pay, to boot. This contradictory location between workers and managers allowed me

to observe and to ask frank questions about the changes occurring on the shop floor and in the front offices. Moreover, through participant observation I was able to understand the situations and meanings that had been invisible to me before, such as the ways that production structures directly led to conflicts between workers and alignment of the team leader with manager. All worker interviews took place away from the factory; however, most managers were only available during work hours. To compensate for this disadvantage, I returned in 2003 to re-interview several managers who were no longer working at the factory. At this time, I also conducted focus group interviews with workers to discuss my research findings.

The article is organized as follows. First, a brief history of the firm and its location within the Mexican apparel industry will be provided. Second, a discussion of lean production and the specific forms it takes in the garment industry will illuminate changes at Moctezuma. Third, a review of labor process theories follows to highlight how production organization affects workers. Fourth, I will compare work at Moctezuma under Taylorist, lean and hybrid forms of organization in order to understand how the labor process was transformed and how those changes affected normative bonds between workers and management. Lastly, I will demonstrate the ways in which workers subverted work organization by using core elements of lean production in their mobilization and ensuing strike.

### **Organizing the Shop floor: Taylorism and Lean Production**

In the late 20<sup>th</sup> century, management theories about how factories should be organized have undergone great changes. For most of the twentieth century, factories have been organized around Taylorism, or scientific management, consisting in the separation of conception (intellectual labor) from execution (manual labor), the fragmentation and standardization of work into simple measurable operations, incentive-based payment, and close management supervision (Kessler-Harris 1982; Taylor [1911] 1967). The underpinning philosophy held workers to be naturally lazy, needing incentives and direct control to be optimally productive (Chandler 1977). Taylorist organization, then, relies on an antagonistic relationship between workers and management, where there exists no mutual obligation or binding commitment to the firm. Individual workers are easily replaced, cogs in a system.

Since the 1970s, Japanese lean production emerged as an alternate form of organization based on teamwork, open job-classifications and cooperative rather than conflictive industrial relations practices. Early works praised Japanese-style lean production, a form of flexible specialization, for productivity and efficiency gains (Piore and Sable 1984; Womack, Jones and Roos 1990). As the organizational form spread to the U.S. and Europe, debates shifted to how distinctive and universal lean production methods really were (Cole 1979; Dohse et al. 1985; Kenney and Florida 1993; Oliver and Wilkinson 1992). Moreover, as the darker side of work intensification, location in depressed areas and union discouragement surfaced in scholarly works, the desirability of such implementation was also questioned (Milkman 1991; Park and Slaughter 1988; Vallas 2003). Increasingly in the academic literature, lean production is seen to "cut both ways" with contradictory objectives, processes and outcomes. Nevertheless, in policy, business, and some academic circles, lean production continues to be seen as the unequivocal path to development.

Japanese-inspired lean production is organized under three core principles: *quality consciousness*, *teamwork* and *flexibility* (Wilkinson and Oliver 1989). Together, they strive for the ultimate goal of *kaizen*, continuous improvement. Quality consciousness refers to quality-at-the-start, taking place at each step, not at the end of the line so that mistakes are corrected immediately. Assembly lines are reorganized around product families and workers into teams,

where rotation and further training push toward the goal of a multi-skilled workforce. Skilled workers can then use their ingenuity to solve problems and improve functioning on the shop floor. Managerial tasks of translating experience into scientific method can then be returned to the workers through teams. In this way, management relinquishes significant control over the labor process as quality, production and worker issues are dealt with by team leaders and team members in coordination with management.

Finally, flexibility is built into the system by reducing inventory on the shop floor by pressuring suppliers to deliver parts just-in-time. Such a tight system demands quality and coordination to reduce waste and production time, freeing up capital for reinvestment. Client demands create a pull on a product stream that is followed as closely as possible. Smaller batch production, ability to reorganize the line and machinery, and multi-skilled workers respond to this goal.

In the garment industry, lean production theories hold that reorganizing production processes through lean or modular assembly help lower production costs by decreasing work-in-process, inventory, through-put time, and rework (repair of pieces flagged for bad quality). As a result, productivity and quality improve, providing augmented responsiveness to clients in terms of turn-around time and model changes (Appelbaum et al. 2000; Abernathy et al. 1999; Berg et al. 1996; Dunlop and Weil 1996; Bailey 1993). According to Berg and his colleagues (1996), under lean production workers are empowered to take control of the work process, having the challenge of producing a larger segment of the garment and focusing on issues of quality. Increased worker satisfaction arising from the trust and responsibility given to them, in turn, should translate into greater productivity. Furthermore, since teams are self-managed, middle management disappears, which lowers payroll costs and provides direct and constructive communication between workers and management (Tello and Greene 1996; Arthur 1994).

An important method of securing increased efficiency was through *Kanban* markers, which perform a dual function. First, the markers direct JIT production by specifying which inputs are required for immediate orders on the shop floor. Only the immediately required pieces are supplied to each worker's station. Second, *kanban* markers pull products through the line. The cards move upstream on the shop floor designating which operations are to be done and who is to perform them. In this way, inventory, quality and flow can be continuously monitored so that workers with bad quality are signaled out; again, continuous improvement at work.

Japanese-style lean production has become so popular that many academics, policy-makers and practitioners have overlooked the particular ways in which lean production emerged in Japan. In order for workers to consent to working smarter (and many say harder as well), industrial relations in Japan developed in ways which connected interests between management, unions, workers and the state (Chalmers 1989; Cole 1979).<sup>2</sup> Japanese employment relations secured consent of workers through life-time employment, seniority-linked wages and company unions (Cole 1979; Elger and Smith 1994). Yet as Kucera (1997) and Carney and O'Kelley (1990) have shown, life-time employment was offered to men in the big automobile companies while women made up a large portion of the part-time, contract and temporary workers in supplier firms. Furthermore, Japanese management enforced women's life cycle patterns to move them out of work during economic downturns, enhancing industry flexibility and further denoting skill as a male characteristic. Therefore, a segmented and gendered labor market regime emerged as men were considered the breadwinner and women (occasional) supplemental earners (Besser 1996; Cole 1979).

Although lean production established a less antagonistic regime than Taylorism, work practices that secured employment were not sufficient to manufacture consent in Japan. Life-time employment for men and weak organizational representation were buttressed with corporate welfare policies. Commenting on Japanese production models, Cole writes:

*"Yet for an internalization of organization goals to take place, so that the individual identifies his personal success with organizational success, dependency per se is not adequate... Business firms had to establish a set of positive rewards to serve as incentives... contributing to the solution of the central life problems of the employees." (1989: 250)*

The desired outcome of these management-led practices was to have workers see themselves as participating in a "community of fate" with managers. Thus, individual success is premised on company success, and vice-versa, requiring workers and managers to cooperate for a common goal (Besser 1996; Cole 1979; Graham 1995). The implications of internalizing the notion of shared vested interests in the company are that both managers and workers should then be willing to sacrifice for the good of the company, given that *in the end* they believe it is in their interest as well. While Cole notes that "community of fate" is a management idea, it is important to highlight how the construction of this normative pact is used to control workers. Although rarely fully internalized, it was a convenient way to bundle workers' interests with those of management in everyday practice.

In reviewing the literature, other scholars have also encountered ideological manifestations akin to "community of fate." In her study of Choc Co, Pollert finds that management changed their philosophy when they converted to teams. She writes:

*"[T]he agenda [became] to promote a 'culture of business improvement' (Production Service Manager) and shift from a paternalist 'we'll look after you, but don't think' and 'doing things for you' to a participatory but unitarist 'It's a cold, hard world, we'll sink or swim together.'" (Factory General Manager) (1996:182)*

Besser (1996) and Graham's (1995) studies in the auto factories organized around teamwork, found similar ideological management shifts.

Vital to any organization are social norms that demarcate appropriate behavior; respecting these norms bestows legitimacy to both management and workers. Thus, respecting work place norms about recruitment, promotion, training, work practices compensation, and grievances is crucial in building trust and a "community of fate." Hodson argues that managers must be good citizens at the workplace in order to develop the trust of their employees. Managers are good citizens when they "[abide] by norms concerning the treatment of employees and providing a workable technical system of production (2001: 93)."<sup>3</sup> However, management violation of social norms can have serious consequences, especially under lean production practices that are premised on trust. The case studies discussed in Vallas (2003) and Pollert (1996) clearly demonstrate how mistrust turns into resistance. Moreover, empowered workers are dangerous. They can use the citizenship skills they learn at work to mobilize fellow workers against the firm (Hodson 2001; Vallas 2003).

## **Organization of Production and Labor Process: Re-visiting Labor Process Theories**

Lean production theorists claim that by cutting-out middle management, allowing workers more autonomy and appreciating their knowledge, the relationship between managers and workers is converted to one of cooperation instead of antagonism (Appelbaum et al. 2000; Abernathy et al. 1999; Berg et al. 1996; Dunlop and Weil 1996; Bailey 1993). As Kaplinsky puts

it "...[L]abour is no longer seen as a cost of production which should be minimized, but as a resource which needs to be augmented." (1994: 290) Labor process theorists have demonstrated the ways in which capital appropriates workers' labor power through direct control, either by manufacturing consent or by reproducing gender and race inequalities (Braverman 1974; Burawoy 1979; Knights and Willmott 1986; Lee 1998; Leidner 1993; Pierce 1995; Salzinger 2000, 2003; Thompson 1989; Wardell, Steiger and Meiksins 1999).

While Marxian theorists have made claims about how society is organized and feminist scholars have unmasked structures of gender inequality by unpacking the labor process on the shop floor, neither speaks directly to the labor process under lean production.

That task has been taken up by British organizational scholars who use a Foucauldian framework to address the labor process under lean production and other flexible forms of production organization. Sewell and Wilkinson (1992), for example, peel away the layers of just-in-time labor processes to find that lean production techniques inscribe a control regime based on surveillance and discipline. Teamwork and the *kanban* replace management supervisors with more effective forms of information gathering and pressure that secure discipline and compliance to quality rules on the shop floor (Wilkinson and Oliver 1989). Using Foucault's concept of power as panopticon, Sewell and Wilkinson (1992; see Salzinger 2000 for a feminist critique of labor process theories using this lens) note how the lean factory layout with little to no inventory stacked-up on the shop floor and prominently placed markers to show team productivity/rework statistics, physically allow for increased surveillance. Workers can no longer disguise the ways they use time and ingenuity to their advantage such as 'making out' (Burawoy 1979) or 'goldbricking' (Roy 1952). On the contrary, teamwork seeks to appropriate workers' experience in the continuous improvement process of *kaizen*.

The practice of lean production at Moctezuma bears a striking resemblance to the negative aspects of teamwork mentioned above. However, British labor process theorists do not pay enough attention to Marxian notions of class struggle (Burawoy 1979), feminist claims of gendered structures (Lee 1998; Salzinger 2003) nor the influence of management practices (Hodson 2001). Workers *and* managers are both agents in the labor process. That is, while the panopticon did inscribe a pervasive sense of control among workers, they were not powerless. Workers I interviewed were aware they were being watched, the majority experienced work as a form of exploitation. Nonetheless, they consented to participate in this system because of the normative and economic bonds forged with the company through the management constructed "community of fate" belief. In the following section, I will discuss how labor processes at Moctezuma differed under Taylorist and lean production organization. Under the latter, the ways in which a "community of fate" belief developed and unraveled will be central to understanding how the teamwork structure facilitated mobilization, class-based solidarity, as well as the empowerment of women *qua* women. The resultant hybrid form of Taylorist production and its consequence for workers will then be examined, evoking questions for further research.

### **Firm Strategies in a Globalized Economy: The Case of Moctezuma**

The history of Moctezuma parallels the history of Mexico's apparel industry, clearly reflecting twists and turns in state policy and global environment. The origins of Moctezuma date to 1951 when an Italian entrepreneur set up a textile mill in Central Mexico. For the purposes of this study, the original mill will be designated as Italia Inc. Although capital, management, and designs were decidedly from Italy, it was legally formed as a Mexican enterprise to take advantage of subsidies and protections provided by the Mexican state for national industry. While initially Italia Inc. only produced cashmere wool cloth, in 1964 the company opened a

new division to use the cloth to fashion cashmere suits. After a protracted struggle over worker rights and an independent union at the company, in 1972 this new division became its own company, Moctezuma.

A few words on unions in Mexico are in order. Unions in Mexico have historically functioned as corporatist entities, under the control of the ruling party through labor umbrella organizations affiliated with the government. The vast majority of unions belong to the Labor Congress (CT)<sup>4</sup>, through which favors and pressures between state and labor leaders have been continuously negotiated. The strength of this corporatist system has been buttressed by automatic and obligatory affiliation of union members to the – until recently – ruling party, the PRI (Institutional Revolutionary Party). In 1990 this “forced mass affiliation,” as LaBotz calls it, was overturned (1992:41). Nevertheless the structure remains, as enormous pressure is wielded on individuals to belong to the party. Besides the “official unions” belonging to the CT, there are two other types of unions in Mexico: employer-promoted and independent. Employer-promoted, or “white unions,” can be found mostly in large and medium-sized firms in the export sector, where the presence of a union satisfies legal requirements while ensuring cooperation with company goals (de la Garza 1998). Independent unions, though small in number, have sporadically emerged as important local labor movements calling for union democratization (Collier and Collier 1991; LaBotz 1992).

While the election of Vicente Fox in 2000 broke the 70-year uninterrupted rule of the PRI, the corporatist structure of unions – and the rejection of independent unions by the state – largely remains (Bensusán et al. 1998; Bensusán 2004). In addition to the corporatist nature of labor unionism in Mexico, the Constitution enshrines a structure of mediation that favors the state and capital. Although the Mexican Constitution and the Federal Labor Code are considered to be among the most favorable for workers, it is the responsibility of Local Boards of Conciliation and Arbitration to enforce the law. Representatives of employers, workers, and the state make up this tri-partite Board that adjudicates the legality of unions, strikes and resolves labor disputes. The workers’ representative, however, is the “official” union, providing little to no voice for authentic worker concerns (Bensusán et al. 1998; LaBotz 1992).

The undemocratic and pro-capital nature of the Local Arbitration and Conciliation Boards was evident in the 1972 strike at Moctezuma. During the 1960s and 1970s, the government of the Central state in question heavily promoted industrialization by establishing an industrial corridor through tax and infrastructural subsidies. Although national and international textile industries already existed in the area, their ranks were augmented with transnational textile, auto, pharmaceutical and chemical industries. With the rapid increase of factories came the growing number of workers. A wave of social movement unionism spread through the region from 1970-1974, fighting to replace government unions with independent ones like the FAT (*Frente Auténtico del Trabajo*).<sup>5</sup> The women at Moctezuma, at that time still Italia Inc., were an important part of this movement (Martínez Cruz 2002).

The first day of June 1972, 110 temporary workers were fired from Italia Inc. Having already been influenced by the ongoing movement for independent unionism, the workers – through the elected CTM (*Confederación de Trabajadores Mexicanos*) corporatist union – staged a city-wide protest. By June 17, the fired workers had been reinstated as full-time employees. However, on August 11 of the same year the workers called another strike after the company violated the collective bargaining contract. Without legal merit, the Local Arbitration and Conciliation Board declared the strike illegal; this time the workers took over the Board offices. After a month of marches, demonstrations and countrywide disruptions due to the surging independent unionism movement, the company gave in to the demands for daycare and reinstatement of all workers. During this period the women at Italia Inc. replaced the corporatist union with an independent one belong to the COR (*Confederación Obrera Revolucionaria*).



On May Day 1974, workers from several factories which had won independent unions called for a boycott of the traditional parade by unions, meant to show appreciation to the government. Over 10,000 workers, including the women of Italia Inc., deviated from the parade route and refused to pay homage to the government. A campaign of repression, coordinated by the government and entrepreneurial sectors, swept the region, clamping down on the wave of independent union movements (Basurto 1989; Martínez Cruz 2002). After the labor unrest was put down, the garment division of Italia Inc. became its own company, Moctezuma. The leaders of the independent union elected in 1972 was forced, behind workers backs, to realign with the corporatist CTM, becoming a management-dominated white union. Besides the return to corrupt unionism, not much else changed inside the factory until the mid 1980s to 1990s. Women workers continued to produce suits from Italia Inc.'s cloth, with the textile mill and garment factory side-by-side. Beyond the factory gates, however, the import-substitution development model which protected national firms was giving way to export oriented free market policies.

When the Mexican economy began to open its doors to foreign investment and push exports in the 1980s, the Italian management of Italia Inc. and Moctezuma took advantage of new regulations. High levels of investments poured into the companies, specifically for technology at the textile mill (in 1984) and computers for the Design Department at the garment factory (in 1990). In 1984, for the first time since Moctezuma's inception, products were exported to the U.S. and Europe. Given this, it should come as no surprise that the companies had been able to survive the shift from import substitution to export-led industrialization. Both companies had always maintained a direct connection with Italian capital and designers and had made a smooth transition with the liberalization of the economy to become a leader in production for the national and export markets.

In 1993 Italia Inc. and Moctezuma were put on the auction bloc. According to several high level managers, the Italian owner of the industrial group died and the board decided to sell all overseas investments. Two high profile Mexican industrialists become majority owners of the two firms, which were then incorporated as a single industrial group, which I will call Mexico Inc. Although NAFTA did not become law until the first day of 1994, industrialists in all three participating countries were already positioning themselves to take advantage of the new trading rules. Therefore, it is reasonable to think that an experienced and successful exporting firm taken over in 1993 would have been a prize acquisition.

Taken over just as NAFTA went into effect, the new Mexican majority owners wasted no time in making their intentions clear: turning the firms into cutting-edge world-class producers. One of the first steps taken in 1994 was to move toward ISO (International Organization for Standardization) certification, which ensures consistent international quality levels. Both firms – which retained their names, management, and workers – retooled production processes to incorporate quality controls throughout the process. Obtaining ISO certification provided a stamp of approval which improved the possibility of landing and retaining high-end clients. Interested in sponsoring regional development, state government training programs and subsidies were made available for certification. At the same time, capital was invested in the garment factory to computerize some key sewing operations. New national ownership proved ambitious and visionary. One year after purchasing the textile and garment firms, the new industrial group set up a series of store outlets for their own national brands inside Mexican high-end department stores. The goal was to conquer not only the export market but the national one as well.

In order to upgrade industrially, a plan was needed: reorganization of production around lean techniques and verticalization. On a state-entrepreneurial tour of innovative firms in Europe organized by the Mexican state, one of the majority owners of Moctezuma visited European firms where he witnessed Japanese-style lean production at work. Accounts point

to this being the spark which started the dramatic reorganization of production at Moctezuma. In 1995 the industrial group invested heavily in the services of a high profile international consulting agency, which also proposed Japanese-style lean production. Management provided me with a copy of communication and planning manuals that document the transition to lean production. In these pages it is clear that the international consulting agency, which I am calling American Consultants, spearheaded the process, inculcating the rules of lean production to a team of managers. The team of managers together with the consultants, then planned and implemented the changes on the shop floor.

Reorganization around lean techniques at Moctezuma had four main elements: self-managed work teams, elimination of mid-level supervisors, increased information sharing regarding production with workers, and focus on quality. Another crucial element was the presence of a compliant union. (See Plankey Videla 2005 for an examination of why Moctezuma reorganized around lean techniques).

### **Transforming Work at Moctezuma**

Moctezuma, like most garment industries throughout the world, had previously been organized under Taylorist principles through the progressive bundle system (PBS). While I did not witness this form of organization, I have reconstructed its outlines from interviews and secondary sources. At Moctezuma this system consisted of sewing lines organized so that an operator performed one task at their own pace and then passed bundles of work to the next operator. Ideally, there would be a buffer of 30 garments *between* operations to deal with differences in speed, absenteeism and turnover. Garment workers aimed at individual proficiency and speed at one simple task that was repeated over and over again. Hence, piles of bundles accumulated between operators, allowing the assembly line to flow as each worked at her own pace. Of utmost importance in this system was speed, as each task was measured in standard allocated minutes setting quotas for daily production. Piece-rate payment was based on reaching and surpassing the quotas set by industrial engineers. Thus, work pace was individually regulated as women could exploit themselves to earn a higher wage (Collins 2003).

An important element of the progressive bundle system at Moctezuma (and Taylorist production in general) resided in controlling workers and work through several layers of supervisors. With the assistance of a senior industrial engineer and multiple interviews with workers, I mapped the structure of the Jackets Department, revealing four layers of supervisors under Taylorism at Moctezuma. At the top of the organizational hierarchy stood the plant manager, who oversaw workers directly by roaming the shop floor and indirectly through department managers. In Jackets, the department manager was responsible for five area supervisors, who in turn, watched over a line supervisor. In total, under PBS the Jackets Department had eleven supervisors.

Another mechanism for control in Mexico, the company-promoted union or "white" union was also present in the company (LaBotz 1992). The union had two main responsibilities, recruiting workers and solving personal worker problems. In terms of recruiting, management forwarded their desired profile; the union put out radio announcements. Final decisions, however, resided with the Human Resource Department. Women of all ages and levels of experience were hired. Until 1996, men were only allowed in the Cutting Department, which managers justified by requiring higher stature due to equipment.

The other role played by the union, responding to workers' personal problems, strengthened paternalistic ties of loyalty. According to workers, the union was more concerned with collecting money for a funeral, lobbying for an unjustly jailed family member,

or settling a love triangle gone awry than dealing with issues like seniority, work rules or pay discrepancies. Although technically under the purview of the union, management dealt with work issues.

When Moctezuma management decided to become a lean garment factory in 1996, they were in large measure responding to pressures from clients to produce at higher quality levels and through JIT organization (Bonacich and Appelbaum 2000; Nebel 2003; see Plankey Videla 2006 for an examination of how teamwork was gendered at Moctezuma). Lean production, as mentioned previously, is centered around producing high-quality goods with a multi-skilled workforce that reduces waste and job redundancy. The layout of the shop floor at Moctezuma was changed to reflect such changes in philosophy. Instead of individual work stations on assembly lines, workers were organized into teams, most often in a clearly denoted space, and trained to operate several machines or perform several operations. *Kanban* markers pulled products through the line as inputs arrived through JIT arrangements. Without unnecessary warehousing of inputs or buffers of work on the shop floor, only immediate work orders and workers were visible making it easier to pinpoint difficulties.

However, to convince workers to accept an increase in work responsibilities and alteration in work routines, the company had to validate the change in both ideological and material ways. At Moctezuma, this was accomplished through the idea of a "community of fate," fostered through corporate welfare programs which demonstrated the company cared for the workers as human beings, not just employees. The ideology of a "community of fate" was cemented with an onsite clinic staffed by a nutritionist, psychiatrist, dentist and family physician who offered free care not only for the worker but also her family. The doctors were especially proud of the yearly dental programs, diabetes screening and women's health campaigns. Special workshops and one-on-one counseling were also available for drug addiction, family violence and birth control. In the context of high unemployment, under-employment and few state safety nets, such policies were more than generous; they resolved many immediate problems for workers. Moreover the company sponsored activities to deepen social norms of dependency and attachment such as athletic teams, cultural events, summer craft workshops for worker's kids and the most popular, primary and high-school equivalency classes.

In effect, the company replaced and greatly enhanced the paternalistic programs previously provided by the union. The underlying message of Moctezuma's management specifically (and Japanese-style lean production more generally) was that the adversarial role of the union had been superseded by coordination and trust between management and workers. As the firm transitioned from Taylorist to lean production techniques, the union continued to play a facilitating role. Although no longer the main channel of communication, union officials remained important interlocutors for workers and were directly involved in hiring and solving worker's personal problems. In terms of hiring practices, women were still the favored worker. Perhaps the biggest change in worker profile under lean production was that older women with garment work experience were preferred as their experience, knowledge and ingenuity, which could be harnessed by teams, was officially recognized.

Another important way to construct a "community of fate" at Moctezuma included flattened hierarchies on the shop floor. With the introduction of lean production, the number of supervisors decreased; their authority transformed. Line supervisors were replaced with a diminished number of "advisors," who, differently from the old supervisory model, required permission from teams to enter into a teams' work area.<sup>6</sup> The goal of eliminating the middle supervisory level was to cut costs and demonstrate confidence in workers' capabilities. The number of supervisors in the Jackets Department was cut from eleven to three (department manager and two advisors), with team leaders playing an intermediary role between management and workers. Team leaders, who rotated every three months according to

seniority, met with managers every morning to receive the previous day's production and quality report and plan out the day's work. It was then the team leaders who communicated this information to the teams. As self-managed teams, it was up to the teams to organize themselves to reach production and quality imperatives. Thus, teams decided how to cover for sick or absent workers, determined who received permits for sickness and family emergencies, and made sure production and quality did not falter. Workers were constantly reminded that self-managed teams were proof of management's trust.

Although symbolic in nature, other practices helped construct the "community of fate" belief. For example, both managers and workers ate at the same cafeteria (though rarely at the same table) and mingled at company celebrations. Christmas and the Day of the Virgin of Guadalupe became occasions on which both managers and workers brought their families and sat together without distinction. The jovial "dance with the advisor" seemed especially effective at breaking down status and gender hierarchies.

Other changes made at Moctezuma further emphasized the importance of quality and the trust the company placed in the workers. Under the new lean system, each operator checked their own quality and that of the workers before them, acknowledging the worker's skill and capability. Moreover, with the new-placed accent on quality rather than quantity, payment was no longer based on piece-rate but rather on a base wage with bonuses for skill, seniority and leadership.<sup>7</sup> Incentives for producing above the weekly quota also enhanced wages significantly, sometimes surpassing half of a week's wage. In effect, work loads and responsibilities increased, but so did take-home pay and benefits.

## Transforming the Work Experience

The new system of lean production first appeared to work successfully. Quality performance soon increased, while production remained level.<sup>8</sup> Workers took advantage of the opportunity to learn new skills, achieving the goal of a multiskilled workforce. In terms of wages and benefits, Moctezuma was considered one of the highest paying garment factories and one of the best places to work in the area. Why, then, did workers break out on strike five years later in March of 2001? I will argue that the organization of production significantly changed the labor process and the way women and men experienced work. In the end, such changes undermined the ideology of "community of fate," without which workers were no longer willing to participate in the new system.

Essential to understanding worker resistance is the way many women and men experienced teams and promotions. Instead of being understood as empowerment, teamwork became code for pervasive control. Under the PBS, workers regulated their own work pace, allowing either for self-exploitation or a leisurely rate. However, under lean production every worker was responsible for every other workers' performance regarding quality and quantity. Therefore, instead of a few supervisors, everyone became an unwitting worker-supervisor. Moreover, since incentives were based first on the team, and then the entire shop floor surpassing pre-set quotas, pressures to increase the work pace were continual sources of discord. Markers of team performance surfaced all over the shop floor as white boards were hung from the ceiling over each team with an inventory of output tabulated every two hours. Slow workers were reprimanded in team meetings, often being ostracized from group activities.

Reorganization of production also had an impact on the internal labor market. Promotions had previously been allocated based on experience and performance. Most of the line supervisors under PBS at Moctezuma were older women who had risen through the ranks. Under lean production, technical knowledge was rewarded. Newly graduated industrial

engineers – all but one male – took over the positions of advisors and managers, effectively ending promotion opportunities for workers, especially women.

Lean production was not whole-heartedly accepted by most workers, given the increased control by teams and loss of promotion opportunities. However, teamwork was not, as the union leader in the introductory story believed, the sole cause of the strike and ultimately, the failure of the firm. The negative experiences of teamwork were necessary but not sufficient conditions for worker mobilization. I argue that the “community of fate” ideology kept the shop floor running. One particular incident makes this point abundantly clear.

On the morning of Feb. 22, 2001, workers arrived at the factory to discover that the previous night, management had announced it was eliminating the second shift. Half of the workers in the night shift would be fired; the rest integrated into the first shift. Panic and anger spread through the shop floor. Soon team meetings could be seen all across the shop floor as they decided whether or not to go on a wildcat strike in protest. In the end, workers decided to delay the decision until they had more information. Underlying the heated conversations was an understanding that Moctezuma was facing an economic crisis, and that cooperation rather than antagonism should be the first strategy to weather the storm.<sup>9</sup>

The fact that the workers so quickly decided to protect the company in spite of their resentment towards management’s decision to fire the second shift is evidence of the “community of fate” belief. Shielding the company from a wildcat strike was seen as in each worker’s personal interest since their future was closely tied to that of the company. Further evidence is that half an hour later, the team I worked with was asked to work harder to complete an urgent order. They did. Although angered by the unilateral action taken by management, which violated crucial social norms of job security and legitimate use of power, my team had consented to work harder. Nonetheless, the ideology of “community of fate” had been weakened. From this point forward workers scrutinized management actions and words, seeking to uncover the level of the company’s commitment to the workers.

In March 2001, management’s actions betrayed workers’ trust. March 15 was the deadline for the bi-annual ratification of the contract. The previous year management had asked workers to forgo some fringe-benefits (such as gifts of detergents, soaps and Christmas baskets) in order for the company to make use of the capital for needed investments. These investments, it was claimed, would enhance the company’s market share, devolving immediate benefits to workers. The union, after a member vote, agreed to freeze benefits for a year. Yet the year was up – and management reneged on its promises. The sense of betrayal on the shop floor was palpable. The company had lost all legitimacy in the eyes of the workers; the “community of fate” belief constructed through enhanced corporate paternalism, high wages and discourse of the company being a family had been definitively fractured. It was at this point that many felt action was required.

At the union general assembly women took the lead calling for a strike. Since management had reneged on the benefits and they refused to raise wages, they could not be trusted. Debate centered on the issue of single mothers: most of the women on the shop floor were believed to fit into this category and they would suffer the most if the factory went on strike. Several men stood up to “defend” single mothers against the financial catastrophe of a strike. Some women agreed with them. But surprisingly, a larger number of single mothers stood up demanding a strike. Their sense of exploitation and betrayal overwhelmingly convinced the packed hall.

While at first glance the rapid concurrence in favor of the strike seems anomalous, it is not. Rick Fantasia’s (1988) work on the U.S. labor movement and close examination of strikes at three sites, demonstrates how consensus rapidly forms in an atmosphere of conflict with management. A culture of solidarity which fosters class-based bonds and consciousness develops through the process of antagonistic struggle for worker rights. Often the language

of moral economy is evoked, claiming past work arrangements as rights to be defended at all costs. The same occurred at Moctezuma.

When it was evident that Moctezuma's management had irrevocably broken the social pact – the constructed "community of fate" – workers' anger coalesced into organized resistance. The ability to be organized as self-managed teams, earn bonuses, and refuse entry to advisors into team areas were codified as rights which could not be taken away. When single mothers voiced agreement with this language of rights, the struggle became framed as one between power-hungry managers against vulnerable single mothers, who stood up for their traditional role of mothers (and given their class background, providers). At Moctezuma the culture of solidarity took on the rallying call of protecting single mothers. Ironically, it was in the name of traditional motherhood that women's resistance was justified, and in some cases led to emancipatory journeys. On the other hand, the company was publicly chastised for abandoning their role of provider and protector.

In response to management's breaking the social pact with workers, the latter used new work techniques learned under lean production to resist. Under lean production, the workforce was divided into teams, each with a leader. Meetings could be called by leaders at any time of day, and leaders were free to move around the shop floor since they were responsible for coordinating with other departments and team leaders. Furthermore, leaders gathered daily in departmental meetings and weekly in the union office, providing opportunities for them to become acquainted and share opinions. Ironically, such a structure of communication enhanced the worker's ability to mobilize on the shop floor.

According to interview subjects, there have been seven to nine work stoppages from 1996 to 2001, when teams were operational. Under the PBS there were no more than one or two work stoppages. Only the last work stoppages under teamwork occurred at a time when the firm experienced economic difficulties. Thus, the main difference between these two periods was the work organization. Interview data are reinforced by my own experiences on the shop floor. As mentioned earlier, on March 22 it was announced that the second shift was going to be eradicated. Team leaders called meetings all over the shop floor. While each team discussed what actions to follow, team leaders walked around gathering and sharing information. In ten minutes, our team had decided, taking into account what we had learned of the other teams' deliberations, to wait and see what happened next. A network of effective communication *between* teams, as leaders facilitated discussions *within* teams, was apparent.

The team structure also helped workers deal with the free-rider problem during mobilizations. After the strike, management and workers waged a daily battle in the streets and in the media. Workers had decided that to combat management's wage and benefits cutbacks, a new executive committee had to be elected. The problem, once workers chose their new union representatives, was that just like in 1972, neither the company nor the Local Arbitration and Conciliation Board would accept their choice. For months after the union election, workers would still gather outside the factory gates after the first shift to march to the Board's or the governor's office. In order to assure that workers attended marches, team leaders picked up company identifications from their team members, to be returned at the end of the event. If at the end the leader still had your ID, he or she knew you stepped out. Lists were kept of those who did not support the movement, discouraging free riders.

In May 2001, 47 leaders were fired. In response, workers decided to work at 50 percent capacity. The slowdown lasted two weeks – but it could not have lasted that long without the support of team leaders who kept an eye on their teams' production levels, pressured those who did not want to go along and defended others against management backlash. While it was possible for a team leader not to go along with a decision the union membership had made, it was not probable. Teams could and did remove team leaders. The first team I worked with removed the newly rotated leader who was on the side of management. The team asked

for her removal, but given the tense situation on the shop floor, management refused. Hence, she was harassed and insulted to such a degree by her teammates that she could not function as team leader. She was fired. Regulations set forth by the team system worked against management and strengthened the workers' efforts to be autonomous.

Another unintended consequence of team structure was to facilitate solidarity among team members during mobilizations. During the strike, 12-hour shifts were organized by teams to guard all entrances to the factory. At this time, it was my first week with a new team in Jackets. We were responsible for guarding the door to the Human Resource office. Those hours spent together brought everyone closer, even though this team was already a relatively close-knit group. However, the other team I had worked with consisted of several factions that did not speak to each other. After several months of marches, demonstrations, and other mobilizations, they had become "compañeras" or companions. For the first time since they became a team in 1996, they gathered after work to celebrate, on this occasion, Mother's Day. As we sat laughing and eating, discussion turned to strategy for another union election. Clearly, this group of women that began as enemies had forged an identity as fellow workers that they had not exhibited only a few months earlier. Not only did they support each other but they also had acquired a culture of solidarity through the mobilizations. While teamwork did not foster such camaraderie or consciousness, the structure of teams facilitated mobilizations. Since teams organized actions during the mobilizations, there was a structure available that encouraged alliances based on worker issues instead of individual interests.

Finally, several women commented that the contention of shop floor production methods profoundly affected their self-perception. Originally, women were sought as cheap, docile workers who would not contest management decisions. Many workers saw themselves in this way as well. However, working in teams provided an experience of leadership and solidarity that transcended factory walls. Women, who made up over 70% of the workforce at Moctezuma, were the first and staunchest supporters of the strike. Participation in the mobilizations empowered them to challenge unequal relations at home as well as at work. For many, simply participating in the mobilizations meant going against their parents or husbands' wishes. Moreover, this newly found strength allowed many to see a possibility in changed gender relations. One case is particularly illustrative. After being fired, Maria, a young woman who had been elected to the strike committee became the first female delivery driver in town because as she put it, 'now I know I can do anything.' Unwittingly, the team system had unleashed a wave of personal transformation and resistance.

Management also noticed the way team structure was subverted by workers. In August 2001, the factory closed for a few days as the shop floor was reorganized around new rules. First, teams were eliminated. Without teams, there were no team leaders who could freely roam around the plant talking to other team leaders. Without teams, there were no more meetings excluding management from worker decisions. In effect, the new organization, a hybrid between lean production and Taylorist progressive bundle system, retained elements beneficial to company goals and discarded features that allowed worker autonomy. Comparing it to the previous lean production organization, the shop floor under hybrid Taylorism combined assembly lines with modular layout in order to best respond to production requirements. Some areas remained the same while others changed in ways that made linear assembly possible. Production was still pulled with *kanban* cards and using JIT inventory, essential components of lean production that speed up the work pace and require closer communication and coordination between operators and with suppliers. However, issues of supervision and hiring practices starkly reverted to Taylorist principles.

Under hybrid Taylorism at Moctezuma, direct control returned reinforced. A parallel system of quality supervisors was added to the recently augmented production management staff. Thus, instead of the three supervisors in place in the Jackets Department, there were six

production and three quality supervisors. Moreover, management set up quality checkpoints along the line, spending their days in the midst of workers instead of in the offices on the shop floor perimeter. Supervisory control was physical, visible and antagonistic. Interestingly, the only area where management presence was reduced was at the top level. Previously there had been one general production manager and one quality manager who oversaw the shop floor; now only one production manager called the shots.

Even the friendly company union changed. No longer were there union offices in the parking lot building, nor were workers chosen to be delegates. Management had recruited a representative of a national prepared food and beverages union. Not coincidentally, this union was present at many large transnational corporations in Mexico, minimally fulfilling the legal dictate of union representation. A woman with no knowledge in the garment industry came to town from nearby Mexico City for one day, every two weeks. She sat in the Human Resource office waiting to see if any workers wanted to talk to her. Not many did.

Most telling were the changes in hiring practices. Whereas Moctezuma had previously hired women (and some men) of all ages, preferably with experience and high school education, they now actively and exclusively sought young women between the ages of 18-25, with no previous work experience, and low levels of education. Every week new groups of workers – usually those with seniority or those especially active during the strike – were fired. Young women, working outside the home for the first time, quickly replaced them. Comments made by management point to them perceiving young women as more malleable and docile. Furthermore, past experiences led them to believe they would be a transitory work force as young women often leave when they marry and have small children; a transitory workforce is less likely to organize. These changes in hiring practices signaled a desire to highlight compliance and docility over experience and quality, crucial elements of the original formulation of lean production (See Table 1).

## Conclusion

I have argued that the concept of “community of fate” (Cole 1979) crystallizes why workers at Moctezuma consented to work harder and smarter under lean production. In Japan, where these production methods were pioneered, consent was built on the practices of life-time employment, seniority-based wages, company unions, and corporate welfare policies. At Moctezuma, stable and relatively high wages replaced life-time employment.<sup>10</sup> Seniority and skill underpinned wage arrangements and the union worked only in the confines of the firm. Likewise, management at Moctezuma made every effort to prove its commitment to workers by providing services beyond the legal requirement, which responded to particular needs of the working population and their families. These practices developed as social norms governing the interactions between management and workers.

However, the labor process under lean production proved to both benefit and constrain workers. Jobs did pay well, but the work environment deteriorated as the pace quickened and the perception of surveillance augmented. Moreover, it was clear to women that there were no options for promotion. While before they could see themselves working at this factory their entire career, the combination of the work environment and lack of promotion opportunities made management’s manipulation of loyalty transparent. Yet workers remained good citizens, producing at the high quality standards and production levels requested by management. In 2001, in response to market downturns, management broke the norms of shared trust. Had management continued being good citizens, as they had done for five years, it is likely workers would have responded in kind. Instead, recognizing the break in the management sponsored “community of fate,” workers used the tools of lean production to



Table 1: Summary of findings: Work at Moctezuma under Taylorism, Lean Production and Hybrid-Taylorism

	<b>Taylorism</b>	<b>Lean Production</b>	<b>Hybrid-Taylorism</b>
<b>Layout Inventory</b>	Assembly lines Buffers	Modular (teams) Just-in-time	Assembly lines Just-in-time
<b>Quality Control</b>	End of line, quality checkers	Quality-at-the-start (each worker checks previous worker's quality) Women of all ages, prior experience favored, men starting in 1996	Quality-at-the-start, quality inspectors throughout the line
<b>Hiring Practices</b>	Women of all ages	Base wage plus bonuses for skill, seniority and excess production with quality Team-regulated	Young women, no previous work experience
<b>Payment Work-pace</b>	Piece-rate Self-regulated		Base wage Supervisor-regulated
<b>Control Internal Labor Market</b>	Direct by supervisors (11 in Jackets Department) Based on experience	Reduced supervisors (3 in Jackets), through teams Based on technical knowledge, college degree	Enhanced production and quality supervision (12 in Jackets) Technical knowledge, loyalty to the firm

undermine the firm. That is, they used practices such as coordination and teamwork to mobilize resistance.

Lean production provided a structure of teams and team leaders that could more easily set in motion worker discussion and decision-making regarding social movement actions. With management's authority circumscribed, and team leaders able to move freely around the shop floor, coordination was swiftly achieved. Team structure also facilitated the empowerment of many women as they took their turns at being team leaders and later mobilized to fight the company, the Local Arbitration and Conciliation Board and the local police.

In the end, this model factory which had successfully competed internationally based on high quality did not look much different from any other subcontracting assembly plant. Harkening back to Taylorist principles of control, Moctezuma no longer hired experienced women of all ages. Instead, management reverted to the "docile," "nimble fingered" young inexperienced women made famous in export processing zones.

When managers reorganized the factory around hybrid Taylorism, which incorporated the control of Taylorism and organizational innovations of lean production, workers lost out. From workers' point of view, it was not much different from Lipietz' (1982) "bloody Taylorism" or Collins' (2003) "hyper-Taylorism." However, in the process of resisting management's changes, workers' created a culture of solidarity that propelled women and men to value themselves as workers and individuals. For women, especially, lean production provided an experience of leadership and acknowledgement of their skill and ingenuity that empowered many to challenge injustice and gender norms that called for submissiveness.

In the case of Moctezuma, the "community of fate" ideology that underpinned lean production did cut both ways. The "community of fate" ideology constructed by managers – with its discourse of loyalty and sacrifice and its buttressing corporate welfare programs – convinced workers to extend their physical, intellectual and emotional labor to the firm. What managers failed to understand fully was that in workers' eyes, the "community of fate" belief also tied the firm to the workers. When management reneged on this social pact, workers not only resisted management's efforts to regain control over the shop floor, but also actively used teamwork to thwart the firm's economic viability. Instead of controlling workers, in the end lean production facilitated worker radicalization and mobilization.

It would be incorrect to conclude from this one case of failed industrial upgrading that only sweatshops are viable in the Third World. On the contrary, the case of Moctezuma does not prove that lean production or other high-road options are not possible. Rather, this case demonstrates that lean firms are complex organizational settings. By extending Cole's (1979) concept of "community of fate", I have demonstrated that greater attention must be given to the social relations accompanying lean production implementation and the roles that managers play in its success. In these times of economic volatility, not only workers but also managers need to work smarter, harder, and be good citizens at the workplace.

## Notes

1. The name of the company, as well as that of workers and managers, has been changed to protect their anonymity. Permission was obtained from management, union and workers to conduct research.
2. While there is variation in Japanese management practices and the implementation of lean production in Japan, scholars have pointed to the three elements discussed (quality consciousness, teamwork and flexibility) as being pillars of Japanese lean production industrial relations (Cole 1979; Oliver and Wilkinson 1992).

3. Worker citizenship behaviors are those that “improve productivity and cohesion in the workplace, which are above and beyond organizational requirements.” (Hodson 2001:45-46)
4. The CT serves as an umbrella organization for three confederations of workers, CTM (Confederation of Mexican Workers), CROM (Regional Confederation of Mexican Workers), and CROC (Revolutionary Confederation of Workers and Peasants). Of these three the CTM accounts for the majority of unions. See Bensusán 1998, Collier and Collier 1991, and LaBotz 1992 for further details.
5. The FAT, with its roots in Catholic social teaching, brought together workers, students and church groups. They act more like a movement than a union, building coalitions and focusing on issues of justice and democracy (Basurto 1989; LaBotz 1992).
6. In practice, advisors roamed the shop floor solving problems. They did not ask for permission but only stayed away if explicitly told by an entire team they were not welcome. Since this was rare, this provision did not greatly affect their authority on the shop floor.
7. I thank Jane Collins for pointing out that this can also be considered a modified form of piece-rate.
8. Given the learning curve of working in teams, the fact that production remained stable points to its initial success.
9. The labor market conditions also must be taken into account. Scholars have shown that workers are more likely to align their interests with that of capital in times of economic uncertainties (Hodson 2001; Vallas 2003). Until the U.S. recession in early 2001, however, the labor market opportunities had not changed significantly. If anything, the signing of NAFTA and the resulting shift of jobs to Mexico strengthened the hand of labor.
10. The state (like Japan after WWII) had abundant labor and a history of contentious relations between capital and workers. A tenuous class compromise was reached in the 70s.

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