

## Case Studies 1 – Perspectives on Organizational Culture

### No One Reason for It: Workforce Diversity, Cultural Complexity, and Staff Retention at BMW MINI

FIONA MOORE

*Royal Holloway, University of London*

*This case study is based on an ethnographic investigation conducted in 2003 at the BMW Plant Oxford automobile factory focusing on issues of staff retention. The study found that the workforce, as well as being diverse in conventional terms, was also divided in less immediately identifiable ways, and different groups within the workplace had quite different expectations from the experience of working there, and a programme to overcome these problems was developed.*

#### INTRODUCTION

Although the various groups who work in an organization will all have different perceptions of its role and different experiences of working there, the impact of these is often not recognized in policy and practice. An important issue is that it is often hard, if not impossible, to articulate these differences. The case of one Anglo-German automobile manufacturing company and how it addressed its issues over staff retention and the lack of recruitment of women using ethnographic data shows that through the use of ethnographic methods, organizations can expose these tacit differences and explore ways of addressing them.

This case study is based on an ethnographic research project conducted in 2003 (and followed up between 2003 and 2006) at the BMW Plant Oxford automobile factory at Cowley, Oxfordshire, also known as BMW MINI and Cowley Works. The project was instigated at the request of the human resource management team of BMW Plant Oxford, who required an investigation of issues of retention among the staff of the Final Assembly area, as well as issues regarding the recruitment of women in general (which have been the subject of earlier papers, for instance Moore 2007, 2015). Staff retention had been determined to be poor, but quantitative surveys of departing staff had given inconclusive results. Ethnographic evidence indicated that the main issues affecting staff retention were the nature of the training process, a perceived lack of respect on the part of management, and difficulties in maintaining communication on the line, as well as a lack of understanding by the management of the shop-floor culture.

Furthermore, the problem underlying all of these was that the workforce, as well as being diverse in conventional gender-and-ethnic terms, was also divided in a number of other, less immediately identifiable ways, meaning that different groups within the workplace had quite different expectations from their employer. However, the way in which the workforce was managed did not recognize these differences, but assumed a single “typical” worker who did not necessarily fit the paradigm. The ethnographic method, therefore, provided insights into aspects of day-to-day life at the factory which, although they might

have seemed trivial, ultimately affected the firm's productivity and practices. It also showed how even small differences in managers' and workers' experiences of the workplace have a disproportionate impact on employees' experiences.

This paper will, first, explore the theoretical and historical background to the case study and discuss the methods used to pursue it. It will then consider the nature of the workforce in general, before focusing on the problems of staff retention, exploring the reasons behind these issues. The programme which was developed to address these issues will be described, and its successes considered, before the wider implications for other businesses and organisations will be explored.

## **DIVERSITY, MULTIPLE PERSPECTIVES AND ETHNOGRAPHY IN INDUSTRIAL SETTINGS**

Ethnographic studies in factory settings have a long history of being used as a means of acquiring knowledge about day-to-day work processes which affect organisations on higher levels (Baba 1986). Mayo's Hawthorne studies of the 1920s, often cited as the earliest example of ethnography of organizations, provided insight into worker practices aimed at controlling their working lives and resisting managerial control (Schwartzman, 1993, p. 5-18). Other studies similarly focused on the factory as a site of contested control and resistance, whereby workers gain empowerment through challenging managerial concepts, and/or negotiate racial and gender discourses among themselves (e.g. Kamata 1983, Westwood 1984, Graham 1995, Delbridge 1998, Briody, Trotter and Meerwarth 2010). Recent studies have taken an increasingly complex approach to the day-to-day life of factories. Sharpe's ethnographic study of control and resistance in a transnational manufacturing company, for instance, takes a micropolitical approach, considering how individual social relationships affect the presence, nature and type of conflict engaged in by workers, situated in a very particular social and industrial context (2006). Elger and Smith's mixed-method study (2005) considers manager-worker relations, and expatriate-local relations, as complex mixtures of consent, acquiescence and dissent. Ethnography is therefore a tried-and-true method of studying aspects of everyday life in factory settings, and one well suited to unraveling the complexity of their organizational cultures.

One aspect of everyday life in factories is diversity. A number of studies of factory life have focused, wholly or in part, on diversity issues. Westwood's ethnography of female factory workers discusses diversity largely in the context of the British working class adjusting to its postwar multiculturalism and reinterpreting discourses of gender equality (1984). Shaw's study of the Pakistani community in Oxford discusses, in part, their struggles to gain acceptance in local factories (1988). Moore's investigation of 'native categories' in a British factory explores tensions over the definition of ethnicity and gender roles (2012). Smith, Daskalaki, Elger and Brown's mixed-method study of Japanese-owned factories in the UK is of particular relevance here, as it directly links worker traits with employee retention (2004, p. 376). All of these would suggest that the demographic traits of factory workers might affect their willingness to remain with their employer.

However, most, if not all, of the above follow the conventional pattern within diversity management studies, of focusing on ethnic diversity (particularly that relating to 'visible minorities') and/or gender (Jonson, Maznevski and Schneider 2011, p. 38-39), and to a lesser extent religion (again, largely in the context of ethnic diversity, with Westwood

[1984] and Shaw [1988] discussing Islam in the context of it being the majority religion in the Anglo-Pakistani community). Moreover, the conventional approach to diversity is to treat it either as consisting of wrongs to be righted (Jonson et al. 2011, p. 39; Thomas 1990), and/or as an advantage for firms to exploit (Zhou and Shi 2011). Smith et al.'s study indicates age and marital status as well as gender as being factors in employee retention, but also that none of these traits are clearly and definitely linked to it, suggesting that in such cases, diversity requires a more complex treatment (2004). Furthermore, there may be other forms of difference than those conventionally discussed in the literature; indeed, there may be differences which lack formal, explicit definition, being only tacitly acknowledged within the workforce. Some of these differences between groups of workers may even be firm-specific, or factory-specific. Finally, these differences may have an impact on factory work that goes unnoticed, due to their tacit nature.

The case of retention in the Final Assembly Area of BMW Plant Oxford thus provides scope for exploring the proposition above, that wider issues within the firm can be affected not just by visible forms of diversity with known connections to outside social divisions, such as gender, but also by invisible or less identifiable forms of diversity, such as student status, organisational subdivision, or even, simply, choice of lifestyle.

## **PROJECT AIMS AND METHODOLOGY**

The project was undertaken at the instigation of the management of BMW Plant Oxford, who approached the researcher, then a fellow at the Said Business School at the University of Oxford. The managers reported that their survey instruments could not tell them why they were having trouble retaining new shopfloor workers, and why they could not recruit more women. Being aware that ethnographic methods can provide access to knowledge which is difficult for staff members to put into words (as noted by van Maanen 1979b), they were interested in commissioning an ethnographic study with a view to understanding the reasons behind their problems. This paper discusses the material related to the first of the managers' questions.

The data presented in the case study is based partly on participant-observation fieldwork, and partly on interviews with BMW employees. The researcher spent three months on the line in the Final Assembly Area (known in the organisation as TO-4), working as an employee of a temporary labour agency, with the agency's knowledge and permission. Two tours were also taken of the full plant (except TO-3, the Paint Shop, due to the need for protective clothing and equipment) as an outsider, and a later tour was taken of one of BMW's German plants. Relevant in-depth interviews were also conducted at the time with thirteen staff members; most were in managerial and/or coordination functions, although five were Team Coordinators (TCs, roughly equivalent to foremen) and three were Process Area Managers (PAMs, or shopfloor managers) or trainers. Most of the interviewees were associated with the Final Assembly Area, but there were also three from the Paint Shop and one from Body in White (TO-2) as well.

Most interviews were recorded, although in a few cases in which the interviewee was not comfortable with the presence of a tape recorder, shorthand notes were taken instead. In some cases, follow-up interviews were conducted, normally over the telephone, and liaison work was done with the plant's change management team over the findings of the initial study. Statistics on the workforce and its ethnic and gender composition were also obtained

from BMW MINI, and have been used here with permission. The data was then analysed through close reading techniques, and through colour-coding fieldnotes and interview data according to the subjects discussed (see Brannen, Mughan and Moore 2013).

The study is ethnographic in that the lived experiences and perspectives of the researcher and her informants were the main drivers behind the data gathering and analysis. Reflexive participant-observation forms the core of the study, capturing the experience of being a young woman working on an assembly line, while the interests and experiences of interviewees guided the content of the interviews, allowing multiple perspectives on the factory and its workforce to emerge. Oral histories and archival research were also analysed with a view to obtaining not just the historical and social context for these experiences, but also the experiences of factory workers and managers of previous generations, as a form of second-hand ethnography. The experiential and reflexive aspects of ethnography allowed for the acquisition and analysis of qualitative, tacit data on the factory's issues with gender, ethnicity and age distinctions, and the analysis of these to develop useful ways to address any problems.

## **BACKGROUND**

### **History**

BMW Plant Oxford stands on the site of the Morris Cowley Works, which was acquired in 1912 by William Morris, the owner of a motor-hire business in Oxford who had diversified into automobile design and construction, to use as a workshop and, later, a fully-fledged automobile plant (Newbigging, Shatford and Williams 1998, p. 12). The plant remained under the ownership of the Morris corporation (producers of the original Mini, which began production at Cowley and Longbridge in 1959) until late 1952, when it merged with Austin to form the British Motor Group (Bardsley and Laing 1999, p. 122). During this time it rapidly became part of the local culture, with the city becoming divided along two social axes: the University and the automobile plant (albeit with a certain amount of crossover between them; Morris, later Lord Nuffield, founded Nuffield College at the university, and the factory has also benefited from the large pool of student labour). The plant rapidly developed its own sports teams, volunteer fire brigades, bands, amateur dramatic societies and social club; children's events and open days were also organised, and are remembered with fondness by many local people (Beardsley and Laing 1999, p. 86, 95-104; Newbigging et al. 1998).

In 1968 Morris Motors became part of the automobile manufacturing group British Leyland, which was nationalised in 1975 as the crisis of the British motor industry deepened (Scarborough and Terry 1996, p. 4-5). In 1979, the still-struggling British Leyland entered into a joint venture with Honda (Scarborough and Terry 1996, p. 5; Bardsley and Laing 1999, p. 146). In 1988, British Leyland was privatised under the name Austin Rover through its sale to British Aerospace (Bardsley and Laing 1999, p. 146; Scarborough and Terry 1996, p. 5; Greenhalgh and Kilminster 1993, p. 44).

In 1994, British Aerospace sold its 80% shareholding of Austin Rover to BMW (Scarborough and Terry 1996, p.5). The Rover acquisition, however, proved problematic (see *Financial Times* 1998), and in 1999 BMW sold off most of its Rover assets, retaining, however, the Mini. The decision was taken initially to establish Mini production at

Longbridge, but production was later shifted to Oxford for logistical reasons. The change has also proved a good move in publicity terms, as the association with Oxford bolsters the 'swinging England' image put forward for the Mini in associated international publicity campaigns.

The long-term presence of the plant on the Cowley site has given it an intimate association with Oxford history and culture; some of the Oxford-born associates working at the plant at the time of the study spoke of having parental and even grandparental connections with the factory. A 1930s poster reproduced in Bardsley and Laing urges tourists in Oxford to visit both the colleges and the Morris Works (1999, p. 84). Morris' initial operation capitalized on pre-existing social relations in Oxford, as he actively recruited local farm workers and tradespeople to work in the plant (Ward, Stuart and Swingedouw 1993, p. 72). Schofield and Noble note that the advent of the automotive plant created the now-familiar social division in Oxford between the university-focused northern/inner suburban area, and the automotive-plant-focused eastern area (1993, p. 258). Life in East Oxford, and particularly the Cowley area, has revolved around the automotive plant for most of the century, regardless of its changes in ownership (264): for many, the actual ownership and type of production of the plant appear not to be an issue, so long as the plant itself remains open and active (see Moore 2007).

The fate of Cowley Works/BMW Plant Oxford is consequently linked, in the minds of many Oxonians, with feelings of local pride and patriotism. At the time of the study, both of these had become somewhat embattled: whereas in 1960, Britain accounted for 11 per cent of the automobile production of the 7 major automobile-producing countries, (Greenhalgh and Kilminster 1993, p. 34), by the late 1980s Rover was the only British-owned car manufacturer left, and Cowley was one of its three major plants, doing 2/5ths of Rover's production at the time of its privatization (36). This has caused the plant to be, for many, a symbol of Britain's decline in the post-war era; the decision taken by British Aerospace in 1991 to demolish the North and South Works buildings met with considerable local resistance (Ward 1993, p. 7; McCarthy et al. 1990). The local population are thus slightly sensitive about the plant's fluctuating fortunes, and can become fiercely protective of it.

The BMW Oxford operation of the early 2000s had inherited a long-standing tradition of association with the local community, meaning that the workforce would be large and loyal, but also inclined to suspicion of the 'new employers.' They also tended to expect a two-way relationship between employers and employees, in which the employers are expected to provide social welfare and job security as well as employment. The plant thus comes with a pre-existing psychological contract (see Cullinane and Dundon 2006), the breaking, or perceived breaking, of which could affect workers' willingness to remain with the plant.

### **Contemporary Situation**

At the time of the study, the plant was wholly owned by BMW, which made its ownership plain through the prominent BMW logo on the recently-built office buildings near the motorway. The sole product of the plant was the various models of the New Mini (comprising, at the time of the study, the Mini One, the Mini Cooper, the Cooper S and the Mini One Diesel; the cabriolet model, which was not yet in production, was undergoing

trials on the assembly line). The plant comprised nine technology areas, of which the most relevant area to the study is TO-4, the Final Assembly Area.

Officially, the plant's culture under BMW was characterised by an emphasis on quality (in terms of the product and the work done) and flexibility (in terms of the models being built to order in a variety of styles and with a variety of options). Less officially, the culture was characterised by a tension between this ideal and the realities of assembly-line work. Associates expressed frustration or resignation at not being able to work to the highest standards at the speed of the line (which had been almost doubled in the previous year) or pride at being able to, despite everything, keep up with the speed of the line. Furthermore, although the teams may have been flexible in that they were able to adjust to the differences of individual cars, the working practices were more classically Fordist than they were characteristic of 'flexible production': task rotation was minimal, and even if an associate was trained on more than one job they tended to specialise in one particular task (contrast Womack, Jones and Roos. 1990, chapters 3 and 4). As will be discussed below, also, worker organisation and associate/managerial communication were, in practice, more in line with Fordist/Taylorist practices than with Womack et al's 'lean production' model.

Socially, the plant remained a focus for organised activity. Sports teams still existed, as did events at the Romanway social club (during the period of my fieldwork, it hosted a blood drive and two tribute band evenings). While nostalgia for the Rover days (and, even, in some cases, earlier periods of ownership) is present, it was not to an unexpected degree-- in fact, there was less nostalgia than I anticipated, considering the recent and drastic nature of the change (contrast, for instance, Abrams 2007 or Moore 2005). This is probably due to the local attitude to the plant described above; for most people, its ownership and practices are less of an issue than whether or not it is open, functioning and serving the community as well as its shareholders.

BMW also continued the practice of maintaining strong social connections with the locality. As well as donating Minis and associated paraphernalia to charity raffles and providing internship places for students at both the local universities (Oxford and Oxford Brookes), the distinctive BMW plant uniform, consisting of zipped jackets in an orange-green-and-black geometrical pattern, was a familiar sight around town, particularly in East Oxford. Many people drove New Minis, if not other BMW models. While some local people expressed the opinion that the connection was stronger in the Morris days, the sense of local connection with the plant was still powerful.

## **THE WORKFORCE**

The plant's personnel at the time was officially divided into three categories: managers, BMW associates (shopfloor workers with contracts) and temporary associates (shopfloor workers whose contracts are with one of the three temporary labour agencies who supplied the factory). PAMs and TCs tended to occupy a loose position between managers and associates, as, whatever their official status, they were seen as having managerial roles and allegiances. Industrial engineers were also, inaccurately, perceived as being part of the management category. Socially, there is little differentiation between temporary and BMW associates; both wear the same uniform, and it is impossible to tell one from the other without asking. Most associates had joined after BMW's acquisition of the plant; however, a few still remained who joined during earlier periods.

While no data were available on temporary associates, it is possible to gain some impression of the general ethnic and gender composition of TO-4 from the statistics on BMW associates, who form about 55% of the total number of 3300 associates. At the time of fieldwork, the ethnic composition of BMW employees in TO-4 was slightly over two-thirds White, with the remaining third being approximately evenly divided between Black/Afrocaribbean and Asian associates (see Table 1). The gender ratio of the division is slightly over 90% male (see Table 1). My observations suggested, however, that, while the gender mix of temporary associates (who formed 45% of the workforce) was about the same as for BMW employees, there were more black than Asian temporary associates, and in particular more black women than Asian women (I saw several black women on a daily basis, but no Asian women; an Asian student intern told me that he saw one Asian woman in TO-4, but no others). These impressions are, however, largely anecdotal.

For comparison purposes, it is worth noting that the 1987 gender ratios cited by McCarthy et al. (1990, p. 55) give the workplace as being 93% male and 7% female. No ethnic statistics were cited, which is in and of itself significant, suggesting that such information has become more important to both social scientists and managers in the past fifteen years. No information was available on age, disability status, religion, sexual orientation or social class, again suggesting that certain forms of diversity, which undoubtedly affect the day-to-day-life of the factory, are not regarded as significant by the plant's management.

**Table 1: Gender and Ethnic Breakdown of TO-4 BMW associates**

Ethnic origin	Female	Male	Grand Total
Asian	4	59	63
Black	6	54	60
Black Caribbean		3	3
Black Other		1	1
no information available		8	8
Oriental		4	4
Other	1	21	22
White	52	725	777
White European	2	17	19
White Other		1	1
White UK	5	133	138
Grand Total	70	1026	1096

Source: BMW unpublished internal document, 2003.

In terms of motivations for joining and continuing to work for BMW Plant Oxford, I was able to identify three types of staff, broadly speaking:

### **Long-term Joiners**

This group consists of associates who join the company looking for a permanent job. If they are satisfied with the work, conditions and social atmosphere at BMW Plant Oxford, they will remain with the plant until they retire or are laid off. Although this group theoretically presents the fewest problems with regard to retention, they become frustrated if they do not receive contracted positions after working at the plant for some time, and I was aware of at least one long-term associate, who had been with the plant since the period of Rover ownership, who left the factory because of this.

### **Short-term Joiners**

This group consists of associates who join BMW Plant Oxford with the deliberate intention of leaving after a particular, usually fairly short, period. It largely consists of students from the nearby universities, or young people doing a 'gap year' between secondary school and university, travelers or backpackers pausing to make money to fund their expeditions, or more sedentary people raising money for a particular item or project. Most of the people I encountered in this group tended to be in their late teens through mid-twenties, though one HR manager mentioned that, in the autumn, there was often an influx of local housewives making 'Christmas money' to cover the expense of the holidays.

It is also worth noting that their relationship with the plant may not be as 'short-term' as the name suggests, or as Smith et al.'s study implies (2004, p. 391). Some people in this category would return for multiple periods of work (for instance students who worked during the summer, or the abovementioned housewives), or would change their plans and choose to remain rather than leave after the specified period.

### **Undecided**

This category includes associates who join the company without a clear idea of how long they will be staying, or with the intention of taking the job on a trial basis, and continuing with it 'if it works out.' This is obviously a crucial group from the point of view of retention, as the other two categories have more fixed ideas about the nature and length of their relationship with the company.

However, it should also be noted that there is considerable overlap between the three groups. Some people intending to take only a seasonal job decide to stay on; some looking for a long-term job leave after only a few days. Also, staff may not be aware of-- or willing to admit to-- their intentions with regard to the job they take, or may not be entirely truthful on their exit interviews as to their initial plans.

## **STAFF RETENTION ISSUES**

### **BMW's Relationship with Associates**

Although BMW managers did not seem to be aware of this, there are several points at which negative impressions were given to associates about their role in the plant. This caused associates to feel undervalued and, given the psychological contract with the plant, in which it is expected to support the community as the community supports it in turn, this appeared to be a factor with regard to staff retention.

I arrive for my [temporary labour company] assessment fifteen minutes early. It is a cloudy and cool day. The candidates gather in the reception area until being ordered to stand out on the tarmac to await collection by the [temporary labour company] representative. The representative is late, and the candidates complain about the weather and their treatment. When the representative arrives, the candidates are led on a long trek to the [temporary labour company] offices where we are then told that the lift is not working (we are not told that the lift on the other side of the building is operational). We are ushered into a large, spare room which does not appear to have been redecorated or refurnished in some time, where we are told that the heater does not work. (Ethnographic fieldnotes, 28 March 2003)

As BMW associates generally start out as temporary associates before receiving contracts, this experience is common to virtually all shopfloor workers, however long they plan to stay. Although there are practical reasons for the long walk and the staircases (to test the stamina and flexibility of potential associates), unfortunately, the overall impression given to candidates was that their presence was not valued. They were not given the respect that other visitors to the plant were (and, as they could see into the waiting area, they were quite well aware of this), and the appearance of the testing room suggested that their potential employers were not willing to invest any effort into providing a comfortable, heated testing area. Either way, this could cause problems with staff retention later, as the induction process 'sets the stage' for the new employee's relationship with the company, and gives them a template for future interaction with their managers and coworkers. As a sign on one of the stations in TO-4 noted, 'first impressions count.'

It did seem to be true that, possibly because of this initial encounter, the impression of lack of respect persisted among the associates. Frequently I heard complaints that 'the management don't care about us, they just care that we're working,' or, more specifically, 'they don't respect us.' Longer-term workers also included their frustration at not receiving contracts in this analysis. There was little sense of community, and even TCs and PAMs were occasionally spoken of with a certain amount of suspicion as to whether their allegiances lay more with the associates or the management. As it has often been noted that a sense of community and an emotional 'stake' in the workplace makes workers less inclined to leave (Womack et al. 1990, p. 53-55), this seemed to be one of the causes behind the attrition rate among associates.

## Recognising Diversity

The first thing any visitor to TO-4 sees is a diorama depicting four mannequins grouped around a Mini Cooper: three dressed as associates from the three shifts, and one as a visitor. All are white; the three associates are men and the visitor is a woman. On the opposite wall is a pair of charts depicting proper attire for associates and visitors; again, the cartoon figures are both white, the associate is male and the visitor is female. Recently, an article ran in *Mini Moments*, the plant's newsletter, describing the diorama and urging all associates and managers to stop by TO-4 and have a look at it. (Report to BMW Plant Oxford Management, 2003; see also Moore 2012)

As with the 'first impressions' situation above, this display sends an unintended message:

- That BMW does not recognise or value the ethnic diversity of its workforce
- That BMW is unaware of the diversity of its workforce
- That women are only welcome on the line as visitors (see also Moore 2012, 2015)

The message of this diorama was also, unintentionally, reinforced in other ways. Publicity photos, as well as the historical images of the Morris-era Cowley Works on display in the visitor centre and at the entrance to TO-4 also depict only white male workers, in contrast to the actual historical realities (Newbigging et al. 1998; Bardsley and Laing 1999). This is further problematised in that other sources on the history of region provide many images of women workers from the Morris era, and of non-white workers from later periods of the

plant's history, when the workforce began to be more ethnically diverse (see illustrations in Bardsley and Laing 1999 for examples).

Other areas of diversity were also not recognised. While one storage cupboard had been designated an unofficial prayer room for Muslim associates, the managers I interviewed were not aware of this. Although the workforce was very diverse in class terms, given the mix of East Oxford working-class, university students, and newly-patriated individuals from a nearby refugee centre who came from a variety of backgrounds, this was also never officially acknowledged.

The result of the discrepancy between the 'official' version of the BMW workforce presented in the displays, and the reality, is not only to exclude and marginalise non-white and female workers, suggesting that their presence is not recognised or appreciated by managers, but to suggest to visitors and white male workers that the realities of the workplace are not fully appreciated by BMW management. Anthropologists have noted that to use language or images which excludes one group but prioritises others makes the members of the excluded group feel, on a subconscious level, that their presence is 'not right' or 'exceptional' (E. Ardener 1975; S. Ardener 1978).

This is increasingly the case when one considers that increasing efforts were being made outside the factory to recognise the diversity of the Oxford community, with Urdu and Hindi translations of emergency instructions being present on buses and with a number of multiethnic student and community associations becoming visible. The fact that other sources presented a more diverse image of the history of the plant strongly suggests that at least some associates would be aware that the image of the plant presented in the photographs was not entirely accurate. Associates with parental and grandparental connections to the plant would also be aware of the historical situation. Finally, the article praising the diorama in Mini Moments further suggests that the plant's management endorse the image of TO-4 put forward in the diorama, causing further reasons for associates to suspect that managers did not care about the workforce.

Differences in how managers and workers treated diversity, and the lack of recognition of less visible forms of diversity, therefore not only contributed to the distrust between workers and managers, but also meant that the different needs, values and goals of workers were going unrecognised, and thus unaddressed, further contributing to the problems with staff retention.

## **Training**

Simon (not his real name) is a student who joins BMW shortly after the end of term, with the intention of working the four-month holiday period. He is put on a job straight away and given on-the-job training. Although he gets along well with the associate assigned to train him, the associate is not a professional trainer, and finds it difficult to answer Simon's questions and pinpoint the areas where he is having trouble. Complaints from further up the line about the quality of his work further demoralise Simon, and he begins to complain openly at breaks and after work. A week later he gives in his notice. (Report to BMW Plant Oxford Management, 2003)

Whereas in the first year of operation, workers were trained on a 'training island' system, in which they would work in an area off the line for two weeks under the supervision of formal trainers, at the time of the study no such system exists, and new associates were expected to learn by what was called 'sitting by Nellie'. This entails being paired with a more experienced

associate, who shows the new associate how the job is to be done, and the new associate gradually takes over more and more of the work until they are fully trained.

Although Simon's case may be relatively extreme, it was not isolated: the stress of 'getting up to speed' in the initial training period seemed to be the main cause of associates leaving within their first two weeks of work. The lack of formal training was not only a cause of retention problems with new staff, but was also a sore point with more experienced associates, who would either find themselves having to train a new employee without any prior warning or education in how to train new workers, or else having to rectify the mistakes of an inexperienced associate further up the line. Also, as one associate is generally needed to train the new associate, the team is effectively working on diminished strength until the new associate is fully trained. While formal trainers exist, they are not used, and, while the TCs may take an active role in training, it is very much up to the individual TC whether or not to do so.

The system also fails to take into account the fact that different associates learn at different speeds (particularly given the diversity of tasks in TO-4), and also the stress placed on the associate assigned to train the new labour. Both quality and productivity decreased notably when there were new people on the line; this was even brought up in a *kaizen* meeting as the reason behind a drop in productivity during the summer months, when experienced associates are replaced with new 'holiday cover' labour. Simon's case also indicates a possible class element; as a middle-class individual, he may not have been as familiar with the concept of 'sitting by Nellie' as an associate from a working-class background, and the social differences between himself and his trainer (an older, working-class man) might have contributed to his difficulties in communicating. Smith et al. have also noted that well-run training programmes can make employees less inclined to leave the organization (2004, p. 384-5), as they establish a psychological bond with the organization, and also cause the employee to, as it were, make an investment of their own time and effort into the company. The hidden diversity within the organization thus contributed to the problems.

A possible reason for the persistence of this system in TO-4 might be the fact that TO-3, the Paint Shop, had no formal training system, and the managers there generally express satisfaction with this arrangement, stating in interviews that formal training is not really necessary and that it is better to learn by experience. However, compared to TO-4, TO-3 had lower turnover rates, less of a diversity of jobs, and a higher proportion of contract labourers. In sum, the training solutions implemented in one part of the organisation may not necessarily be suitable for others, again showing how a tacit form of firm-specific diversity can affect staff retention.

## **Contracts**

Although many managers whom I interviewed said that the limited provision of contracts was a big issue in staff retention, this did not seem to be the case among most of the associates with whom I spoke in TO-4. Although contracts do not necessarily guarantee job security, they can be an advantage in terms of access to benefits, and in terms of securing mortgages and so forth; they were also, unofficially, regarded as a kind of 'promotion' among staff. For the most part, those who mentioned it as an issue were:

- Long-term employees (1 year or more) without contracts
- Long-term employees with contracts (who sometimes reflected on their good luck contrasted with more recent cohorts)
- Newly-hired employees who intended to become long-term hires.

The reason behind the discrepancy might be, firstly, changes in the nature of the workforce. Some trends which might have affected the situation were:

- increasing number of short-term and undecided associates
- increasing number of associates for whom this job is a second household income
- changes in worker expectations (i.e. resignation to the new situation).

Furthermore, at the time, the culture of the workforce was changing: the temporary labour agency had recently stopped mentioning the possibility of receiving a contract during associate inductions, and word was spreading among the traditional employment groups in East Oxford that contracts are no longer as available as once they were. The composition of the workforce may therefore have been shifting to include more people for whom contracts are less of an issue. What managers believed was an issue among the workers, therefore, was not as significant as they believed, due to the tacit diversity within the workforce, as the three groups identified at the start of the paper all had different feelings on the issue of long-term contracts.

### **Differences between Management and Associates**

Another, related issue was differences between management and associates with regard to their priorities and beliefs about work. Managers (including TCs and PAMs), when asked why they had chosen to work at BMW, cited 'pride in the company and the product' above anything else. Associates, by contrast, cited the high wages and short working week, followed by the working atmosphere ('good wages and good mates', as one put it). For them, working intimately with the product, it was less a source of pride as of humour and good-natured complaint, whereas managers were able to view it with more detachment. Consequently, associates tended to portray managers as out of touch with the realities of factory life, where managers tended to imply that associates were mercenary. This is to overlook the fact that both perspectives are acceptable reasons for doing the job, and giving pride in the product a low priority compared to money and atmosphere are not necessarily barriers to doing a good job or being quality-minded.

This sense of the divide permeated most aspects of life at the plant. For instance, the Mini Moments newsletter seems to be written much more from a managerial than from an associate's perspective, focusing on the Mini's performance in the market, publicity campaigns, and so forth. Newsletter items on the Back to the Track programme, in which managers spent a week working on the shopfloor, emphasised what a challenge management found it to go back to the track rather than how the associates felt about having managers working with them. Consequently, associates tended not to regard the newsletter as having much to do with themselves, apart from occasional items about their friends or team.

Furthermore, the difference arises at least partly from the fact that managers tend to view their jobs as a career, where associates do not, for the most part, consider their work in this way. For instance, one problem in communication seems to be attributable to the fact that if a manager is unhappy with some aspect of their job, they will try and work out a solution, talk to the people concerned and to their superiors, and generally arrange things so that they can stay in the job and be satisfied. However, an associate is more likely to give in their notice instead, because, in their view, it is less effort to find a new job than to find a solution.

One practice which went some way to bridging the gap was the Back to the Track programme. This helped in that it gave managers a limited idea of what life is like on the line, and allowed the associates to come to know managers as individuals rather than a faceless category. However, the period of immersion was not long enough for managers to develop a kind of participant-observation effect (as with the managers in Brannen et al. 2013), and the associates continued to regard the managers as outsiders to their culture. Once again, tacit differences and divisions within the company, in this case between the different professional and working groups at the factory, caused a lack of communication between them.

## **OUTCOMES OF STUDY**

Upon conclusion of the study, the researcher continued her association with BMW MINI. Having obtained a Nuffield Foundation grant to fund follow-up research, the researcher suggested developing a management education programme based on ethnographic techniques; the company, however, instead suggested the researcher work with the company's Change Management team, on a project intended to identify the cultural traits of BMW MINI relative to the rest of the organization (similar to Brannen's later Tesco Project: see Brannen, Mughan and Moore 2013).

Consequently, the researcher spent eighteen months intermittently working with managers from the Human Resources department. This involved attending five meetings in the plant, plus a visit to BMW's plant in Regensburg, Bavaria. Group interviews were conducted with six managers and team leaders in the UK during this period, and individual or pair interviews with five managers in Germany. The researcher also attended meetings of the project and conducted interviews and focus-group meetings with the managers involved, but left before the project was completed.

A report was submitted to the company on the retention project's findings, and also to the chair of the temporary labour agency which served TO-4. The chair subsequently wrote to the researcher expressing her thanks, as she had identified several of these problems herself and wanted to use the report to provide support for her position. While the company did not explicitly inform the researcher of changes made as the result of the report, she was able to identify that the changes she recommended had been made to the training programmes, that flexible working systems were being developed and extended to accommodate the hidden diversity within the workforce, and that the company was engaging in greater community outreach aimed at broadening public knowledge of the factory and what it does. The report was also covered in the media at the time (Anonymous 2004; BBC South Today 2004), due to an initiative on encouraging women to remain in the workforce which was being launched by the British government at the time.

Over the longer term, the 2011 Journal of International Business Studies paper, based on this study, was specifically aimed at broadening understanding of the use of ethnographic techniques for studying large, international organisations as well as smaller ones, while other papers have been aimed at introducing business-studies audiences to anthropological data-gathering and analytical techniques (e.g. Moore 2012). The researcher has also, in recent years, given a number of seminars aimed at educating researchers in international business on the benefits and practice of ethnography in organisations, again with a view to spreading awareness of ethnographic techniques, and is working on developing a more formal researcher training programme for wider implementation.

## **CONCLUSIONS**

### **Implications**

This paper supports the idea that ethnographic methods are generally most suitable for identifying and understanding those aspects of day-to-day life which affect organizations, even without their members consciously realising it (van Maanen, 1979a, b). While Smith et al's study indicates that employee retention is complex and dependent on many contextual factors, most of their conclusions as to which factors are significant are tentative, and they themselves note that a more in-depth, longitudinal approach is required (2004). Furthermore, it also supports the argument put forward in Moore (2011), that multiple perspectives on the organization are needed in order to understand its operation. As opposed to focusing on the needs of workers (e.g. Westwood 1984) or managers (see Schwartzman 1993 for examples), factory studies need to maintain a sense of balance, but also one which recognises the internal divisions of the company, and the actual relationship, in all its complexity, between workers and managers. It is not just ethnography, but the strategic use of multiple perspectives determined through ethnography, which illustrates how organisations are affected by issues which emerge in their day-to-day lives.

### **Limitations**

The conclusions of this study come with the usual advisory that this is a single study of a single organisation. However, when compared and contrasted with other studies of similar organisations, particularly in the manufacturing sector, more general patterns are likely to emerge. The paper should also be taken in connection with other studies of the site from other perspectives (e.g. Moore 2011; Scarbrough and Terry 1996; Newbigging et al. [eds] 1993). Furthermore, it also points to a disconnect between managerial studies of organisations, and the labour relations literature on workers' relationships with their organisations. More studies from multiple perspectives are needed in order to develop the findings of this study.

### **Conclusion**

A study of life on the shopfloor at BMW Plant Oxford undertaken in order to ascertain the origin of its staff retention problems in the early 2000s, not only casts light on the culture and micropolitics of this particular plant, but also suggests that the diversity-management

literature more generally needs to both broaden its focus, and to ensure that diversity is analysed in the specific organisational context in which it is found. Furthermore, the study confirms the utility of ethnography as a means of studying day-to-day phenomena which, despite their seeming triviality, influence organisations' productivity at a higher level. Finally, this study challenges the portrayal of worker-manager relations as inherently tense and conflictual, as the image which emerged from BMW Plant Oxford, while not without tension, was much more nuanced and ambivalent. Comparison with similar studies is recommended to develop these findings.

**Fiona Moore** is Professor of Business Anthropology at Royal Holloway University of London. She has conducted studies of German expatriates in London, the Taiwanese diaspora, and a longitudinal ethnography of the BMW MINI plant. She has published a monograph, *Transnational Business Cultures*, and many journal articles, which can be accessed via [www.fiona-moore.com](http://www.fiona-moore.com).

## NOTES

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