

Organisational Justice: A Senian Perspective

Samir Shrivastava · Robert Jones ·
Christopher Selvarajah · Bernadine Van Gramberg

Received: 17 August 2014 / Accepted: 9 November 2014 / Published online: 22 November 2014
© Springer Science+Business Media Dordrecht 2014

Abstract In this paper, we draw inferences from the Nobel laureate Amartya Sen's book, *The Idea of Justice* to inform the organisational justice literature. The extant societal-level theories of justice tend to emphasise aspects that are analogous to either the procedural or distributive dimensions of organisational justice. The Senian idea of comprehensive justice is different in that it synthesises the procedural- and distributive-related dimensions at the societal-level. We theorise that the Senian notion could be applied at the organisational-level to facilitate outcomes that are actually valued by the workforce. Further, we contend that the emphasis on non-parochialism in the Senian notion of justice makes it particularly relevant to the ethics of multi-national corporations (MNCs) operating in alien cultures. To support our contention, we analyse the lean manufacturing practices of a Japanese MNC operating in India. Our case analysis demonstrates how Senian thinking helps one surface unjust outcomes that would otherwise go unacknowledged. Our analysis also offers tentative support to Senian claims about the capacity of human behaviour to undermine well-designed institutions. Concurring with the Senian view, which favours combating manifest injustice rather than fixating over designing

perfectly just institutions, we derive some normative implications to advance the cause of striving for outcomes that are actually valued by the workforce.

Keywords Comprehensive justice · Lean manufacturing · MNC ethics · Rawlsian justice · Senian justice · Toyota production system (TPS) · Valued outcomes and functionings

Organisational Justice: A Senian Perspective

The earliest theories of organisational justice—relative deprivation theory (Stouffer et al. 1949), distributive justice theory (Homans 1961) and equity theory (Adams 1965)—stem from theories of social justice (Greenberg 1990). Continuing with the tradition of appropriating societal-level theories to the organisational-level, we draw inferences from the Nobel laureate Amartya Sen's notion of social justice to inform the organisational justice literature. In his book, *The Idea of Justice*, Sen (2009) contrasts his conception of justice with that of Rawls' (1971) highly influential notion of social justice. Drawing from Western and Eastern philosophers and his own capabilities approach, Sen makes a case for jettisoning the Rawlsian fixation with designing perfectly just process-driven institutions in favour of concentrating on combating manifest injustices that prevent people from realising what they value. This concern for lived experiences gives Sen's work a practical orientation. Business ethicists, to the best of our knowledge, are yet to apply Sen's fully developed treatise on justice in the context of organisational justice. In this paper, we discuss Sen's juxtaposition of an outcome-driven notion of justice against that of Rawls' process-driven notion with a view to generating insights that can sensitise

S. Shrivastava (✉) · R. Jones · C. Selvarajah ·
B. Van Gramberg
Faculty of Business & Law, Swinburne Institute of
Technology, Hawthorn, VIC, Australia
e-mail: sshrivastava@swin.edu.au

R. Jones
e-mail: rjones@swin.edu.au

C. Selvarajah
e-mail: cselvarajah@swin.edu.au

B. Van Gramberg
e-mail: bvangramberg@swin.edu.au

organisations to pay heed to outcomes that are valued by employees.

Additionally, we note that Sen explicitly attempts to develop a non-parochial notion of justice, and this makes his notion highly relevant in the current globalised era wherein multinational corporations (MNCs) operating across cultures must safeguard against subscribing to insular workplace practices (Velasquez 2000). Accordingly, our paper has two aims. Firstly, to surface the implications of Sen's notion of outcome-driven justice for organisational theory and practice. Secondly, to illustrate how Senian thinking could help one identify unjust workplace outcomes that could otherwise go unacknowledged, particularly in the context of MNCs operating in alien cultures. Since Sen essentially puts forth his ideas through critiquing elements of Rawlsian justice, we consider it necessary to briefly revisit Rawls' work. We thus begin by summarising the Rawlsian view of justice. Then, we introduce Sen's idea of comprehensive justice and discuss its organisational implications against the Rawlsian backdrop. Thereafter, recognising the relevance of the non-parochial Senian view to the ethics of MNCs, we analyse the justice-related outcomes of the workplace practices of a Japanese MNC operating an automotive assembly line in India. Our analysis shows that the Rawlsian and Senian views can lead one to very different justice-related interpretations in the workplace. We conclude by discussing the contributions and implications of our case-analysis for theory and practice.

The Rawlsian View: Justice as Fair Procedure

In his theory of justice, Rawls (1971) rejected the dominant utilitarian notion that societies, to be deemed just, must distribute the fruits of social co-operation so as to maximise the "good"—that is happiness or some other utility—of the maximum number of people possible. Rawls asserted that an individual had some inalienable rights which could not be violated even for the happiness or welfare of an entire society. He described his alternative formulation of justice as an attempt to "generalize and carry to a higher order of abstraction the traditional theory of the social contract as represented by Locke, Rousseau, and Kant" (see Preface to Rawls 1971). The contours of his theory had emerged in an earlier work (Rawls 1958) which had conceptualised justice as fairness. Note though that justice as fairness in Rawls' formulation does not allude to equitable distribution of resources per se. The "fairness", in fact, alludes to a highly prescriptive process that, if adopted, is said to result in a social contract which, in turn, ensures a truly just society. What might this fair process be? This brings us to Rawls' controversial "original position".

To visualise a fair process, Rawls asks us to imagine a situation, or an *original position*, wherein people who have no vested interests whatsoever meet to decide on a set of principles that would govern the constitutional and other major institutions of a society, that they, as signatories to the principles, would live and execute their life-plans in. Rawls makes it clear that in the original position, people know that they have a life-plan, but they don't know what their life-plan is. He also argued that only those working under a 'veil of ignorance' could have zero vested interests. The *veil of ignorance* was called thus because it made one oblivious to one's "place in society", one's "fortune in the distribution of natural assets and abilities", and even one's own psychological propensities (Rawls 1971, p. 15). In some ways, this is akin to arguing that someone tasked to cut a cake and permitted to eat only the last remaining slice cannot but be fair while cutting the slices (Fishkin 1975). Not for Rawls the possibility of generous hosts voluntarily choosing to sacrifice their portion. The veil of ignorance and the original position are central to ensuring fairness in Rawls' view. He goes on to assert that people in the original position working under a hypothetical veil of ignorance would agree to the following two principles:

- a. Each person has an equal right to a fully adequate scheme of equal basic liberties which is compatible with a similar scheme of liberties for all
- b. Social and economic inequalities are to satisfy two conditions. First, they must be attached to offices and positions open to all under conditions of fair equality of opportunity; and second, they must be to the greatest benefit of the least advantaged members of society (Rawls 1993, p. 291).

The two Rawlsian principles may be described as a product of individuals acting in their self-interest even as they try to accommodate the interests of others; for this is what the people in the hypothetical original position are visualised as doing. Also, there is no place for external stakeholders since the original position concerns itself with contracting only with the integral members of a given society. To Rawls, the two principles are a touchstone for determining the justness or otherwise of institutional arrangements within a society. He clarifies that the principles are in lexical order. That is to say, the second principle cannot violate the first principle. Thus, basic liberties¹ cannot be snatched away from any individual

¹ The more important basic liberties listed by Rawls (1999, p. 53) include political liberty (i.e. the right to vote and hold public office); liberty of conscience and freedom of thought; and other rights such as the freedom of speech and assembly; freedom from psychological oppression, physical assault and dismemberment; the right to hold personal property and freedom from arbitrary arrest and seizure as defined by the concept of law.

under any pretext. Similarly, the latter half of the second principle (also called the Difference Principle) pertains to benefitting the least advantaged, but it cannot trump the equal opportunity aspect that appears in the former half of the second principle. Rawls explains that as a whole, the second principle applies to “the distribution of income and wealth and to the design of organisations that make use of differences in authority and responsibility” (Rawls 1999, p. 53). The principle makes it incumbent upon societies to ensure equity in distributing what Rawls describes as “primary goods” (that is things which any individual would want to execute one’s rational plan in life).² To reiterate, inequities (or differences) in the distribution of primary goods, as per the second principle, are permissible only if they are to everyone’s advantage.

Rawls (1999) clarifies that his theory of justice applies to the basic structure of society, or more precisely, to “the way in which the major social institutions distribute fundamental rights and duties and determine the division of advantages from social co-operation” (p. 6). Major institutions are said to include all such institutions that confer on a society “the legal protection of freedom of thought and liberty of conscience, competitive markets, private properties in the means of production, and the monogamous family” (p. 6). We argue that to the extent that business organisations are an artefact of social-co-operation and are central to distributing the fruits of that co-operation by way of fair wages, they can be considered as important justice-delivery instruments within a society. In other words, business organisations play an important role in helping societies operationalise (or indirectly deliver) their notions of justice. Thus, the Rawlsian principles do have implications for business organisations. We discuss a few that appear to have been ignored by organisational ethicists (for a detailed discussion on the applicability of Rawlsian thought to organisations, see Lindblom 2011).

At the organisational-level, a one-to-one correspondence with the logic behind the *original position* and the Rawlsian principles would suggest a commitment to the following: (a) policy formulation by parties representing the

main stakeholders (primarily owners, managers, and employees); (b) agreement on a charter of non-negotiable employee rights that may not be unilaterally altered by management; and (c) equal employment opportunity to all with the caveat that “unequal” opportunity be extended only to benefit the least advantaged members of the society and such exceptions be to the advantage of all (the issue to note here is that it is would be up to the stakeholders to determine how ‘advantage to all’ might be defined and determined). Although the Rawlsian notion in the organisational context would relate primarily to the processes that ensure equal opportunity to all employees to earn greater rewards (i.e. enjoy equal access to a primary good), it would not frown upon excessively large executive compensation. After all, the logic behind Rawls’ second principle would permit attaching *inequalities* to offices and positions as long as everyone had a fair chance of attaining executive positions. Further, the notion would hold that organisations, like societies, ought to create equal opportunities for all by instituting systems which protect inalienable employee rights (e.g. grievance redressal, opportunities to climb the promotion ladder, access to work-related training, and so forth).

To be deemed consistent with the Rawlsian principles, the organisational-level institutions, essentially workplace committees, would need to be highly representative. The thinking behind the *original position*, somewhat unrealistically, implies that a representative committee (i.e. a fair workplace institution) alone would be enough to ensure that business owners, managers, and employees eschew their self-interests and almost magically accommodate each other (through implicit or explicit contracts). Unfortunately, the hypothetical original position is just that, and organisational reality, even in robust democracies, is rife with stakeholders intent on feathering their own nest. Given the propensity of humans to display less than ideal behaviour despite being members of ideally conceived institutions, fair procedures may not always lead to fair outcomes (Sen 2009). Reconsider the example of excessive executive compensation. Rawlsian thinking would not consider granting large executive bonuses as unethical if the executives were to claim that the entire organisation, including the poorly paid frontline workers, stood to gain from such bonuses. In other words, Rawlsian thinking would be susceptible to ignoring the obvious possibility of conflict of interest. Thus, despite emphasising equity in the distribution of primary goods, the thinking behind Rawls’ second principle would not necessarily further the cause of *distributive* justice at the organisational level.

Rawlsian thinking implies that organisations cannot do much better than focus on instituting fair processes. We therefore argue that the Rawlsian principles, in the main, have normative implications for *procedural* justice. As is

² Rawls distinguishes between natural primary goods (i.e. health, vigour, imagination, and so forth) and social primary goods (i.e. rights, liberties, opportunities, income and wealth, and the social bases of self-respect). He notes that while the former do get influenced by the basic social structure, they are not directly under its control. Thus, the second principle mainly pertains to arrangements for distributing social primary goods. Rawls appears to half-heartedly acknowledge the fact that natural primary goods can greatly increase one’s access to social primary goods and vice versa. This potential for mutual influence, of course, raises important questions. For instance, would it be just to expect those enjoying good health to subsidize healthcare for the infirm? “Yes, but only if it meant everyone benefitting from cross subsidies,” would be the ambiguous Rawlsian answer.

well known, scholars have historically described fairness at the organisational-level in terms of it reflecting either *distributive* justice or *procedural* justice. The former is about whether the actual outcomes, particularly as they pertain to organisational rewards and punishment, are perceived to be fair (see Adams 1963). The latter, as must have become clear from the above discussion, is about whether the processes or procedures used to allocate or distribute the outcomes are perceived to be fair (see Leventhal 1980; Thibaut and Walker 1975). In the late 1980s, a fine-grained analysis of procedural justice led to the notion of *interactional* justice, which is mainly about the interpersonal interactions between the recipient and the provider as the outcomes are distributed (Beis and Moag 1986). Later, scholars (e.g. Greenberg 1993) split interactional justice into two sub-dimensions: *interpersonal justice* (i.e. the degree of politeness, dignity and respect displayed during interactions) and *informational justice* (i.e. the willingness to explain the reason why particular procedures were used and why the rewards distributed in a particular fashion). For a review of how the organisational justice area has evolved over the years, see Colquitt et al. (2001). As stated earlier, we believe Sen's (2009) relatively recent work on social justice can offer fresh insights and advance the area.

We discuss the Senian view of justice in the next section and argue that because his view is concerned with *comprehensive outcomes* (i.e. with distributive outcomes that simultaneously factor in the processes through which resources are distributed and aspirations get realised), it has implications for both procedural and distributive justice at the organisational-level. Generally, one would not expect macro-level theories of social justice to directly address micro-level (i.e. individual-level) interactions. Nonetheless, as we later point out, the Senian emphasis on transparency and reasoning has implications for interactional justice as well.

The Senian View: Justice as a Valued Comprehensive Outcome

While Sen acknowledges the centrality of Rawlsian thinking to the area and accepts that fairness cannot be divorced from notions of justice, he is critical of some of the other elements of Rawlsian thought. Labelling the thought *transcendental institutionalism*, Sen (2009) argues that it would be a fallacy to assume that people in the *original position* would necessarily and unanimously arrive at an identical set of principles for designing perfectly just institutions—for this would imply that there existed only one kind of an impartial argument that could meet the demands of justice. Sen insists that there usually are

competing rationales, each with an equally compelling claim to being impartial. To drive home his point, he asks us to consider the case of three children—Anne, Bob, and Carla—quarrelling over the ownership of a flute. Anne claims the flute because she is the only one who can play it; Bob, being very poor, wants the flute because he is the only one with no toys; and Carla insists that the flute is hers because she was the one who had made it in the first place. What yardstick might one use to determine ownership rights? Sen notes that theorists of varying persuasions, despite arriving at different ownership decisions, would each be able to marshal reasonable arguments about the fairness of their respective decisions. For instance, a utilitarian, after some soul-searching, would argue that Anne being skilled at playing the flute would derive maximum utility from the instrument; an economic egalitarian would naturally favour alleviating Bob's poverty; and a no-nonsense libertarian would privilege Carla's claim to the fruit of her own labour. Assessing justice-related outcomes in real life then may be more nuanced than it being a simple matter of interpreting some hypothetical contractual obligation.

With his flute example, Sen makes a couple of larger points. One, that there may be no such thing as a perfectly just solution; and two, it may not even be necessary to identify a perfectly just arrangement. What ought to exercise us instead, he argues, is the ability to compare and rank competing alternatives so as to choose the most just outcome in a given situation. Thus, with one deft stroke, Sen establishes the relevance of social choice theory to his notion of justice. Further, being concerned with outcomes as experienced by individuals, Sen observes that the nature of society that ultimately emerges depends not only on the set of societal-level institutions, but also on how people actually behave and interact with each other. Arguing that “the importance of human lives, experiences, and realisations cannot be supplanted by information about institutions that exist and the rules that operate”, Sen (2009, p. 18) turns to a classical distinction between *niti* and *nyaya* found in the Sanskrit literature on ethics and jurisprudence. While both the terms pertain to justice, *niti* is about rules, regulations and organisational propriety. It does not concern itself with consequences. It is *nyaya* that is concerned with holistic evaluations about what people feel about the emergent world. A *nyaya-centric* view holds that justice-related processes should finally lead to fair consequences. Both *niti* and *nyaya* have their place, but classical Indian jurisprudence implies that *niti* would fail in its purpose if the *nyaya* it produced were to make people feel deprived. And deprivation is not to be equated with people being deprived of resources *per se*; instead, Sen insists that deprivation has more to do with people being unable to pursue and realise whatever it is that they seek.

The nyaya-centric Senian focus on realised outcomes draws attention not so much to what a just society ought to look like, but to the manifest injustices prevalent in a society. Sen argues that it is usually much easier to recognise and agree over what is manifestly unjust than it is to agree on a perfectly just arrangement. So, in an organisational context, we may not know what an ideal workplace might look like, but our ignorance does not prevent us from agreeing that sweatshops and exploitative assembly lines fuelled by child labour are unjust. Thus, as per Sen, it would be more fruitful to concern oneself with eliminating manifest injustices, rather than with an indulgent search for the superlatively just (or transcendent) institution. As stated, Sen reasons that a manifestly unjust world is one in which people, lacking the freedom to live a life that they value and desire, feel deprived. This line of reasoning enables Sen to draw from his life-long work on *capability*. Although business ethicists have already analysed some of the implications of Sen's capability notion (e.g. Cornelius and Gagnon 2004; Renouard 2011), they have not discussed the full ramifications of the notion in the context of organisational justice.

To Sen (2009), resources are merely a means to an end and thus he claims that equitable distribution of the Rawlsian primary goods may not necessarily lead to just outcomes. Sen considers a resource or a good useful to an individual only if and when it gets converted into something of value to the individual concerned. For instance, a round the world air ticket awarded to the best salesperson of the year would hold little value if the salesperson were mortally scared of flying. In similar vein, Sen points out that despite earning much more than their able-bodied colleagues, the disabled, being subjected to restraints that others do not have to face, may, on the whole, be worse off. Thus, assessments of justice must entail assessments of whether people are genuinely free to be or do whatever it is that they value. Sen considers this state of "being or doing" as a *functioning*. A functioning is not a resource in the sense that the act of travelling round the world, a functioning, is very different from possessing an air ticket, a resource. Sen defines the capability of a person as a set of functionings that a person can effectively choose from (see Sen 1985 for a formal treatment of the term). As an aside, this discussion explains why Sen prefers the information-rich capability approach to the Gross National Product approach while determining national accomplishment. The latter merely puts a dollar value on the resources available in a country without revealing whether the citizens enjoy real opportunities to access the resources they need to execute their life-plans.

Do note that the Senian view of capability underlines the need for factoring in *all* the choices or opportunities realistically available to an individual. According to Sen

(2009), the freedom to choose the kind of lives we may wish to live—irrespective of the choice we actually end up making—is critical to our sense of well being, which is in itself a functioning. One's capability thus also depends on whether one acts out of one's own volition. As Sen explains, famine-stricken people, as also those who choose to fast for religious reasons, may both have the same levels of achieved functioning (in terms of them being equally under-nourished), but the former would have much lower capability because of their incapacity to get a wholesome meal even if they wanted to. Sen adds that by emphasising the freedom to choose, his capability perspective makes one accountable for what one does (and does not do). He, however, seems to recognise, as in the famine-induced fasting example above, that people cannot always be held accountable or responsible for their own state of deprivation. People, for instance, can be victims of natural and social circumstances beyond their control. In particular, Sen identifies four such circumstances or contingencies as discussed below.

The first two contingencies—*personal heterogeneities* and *diversities in the physical environment*—are obvious enough. For example, chronic asthmatic patients may need more income support than their healthier counterparts to merely ensure survival through continuous breathing. Similarly, a large heating bill of someone living under arctic conditions may impact the person's ability to spend resources on self-education, and this may, in turn, adversely impact the person's career advancement opportunities. The next two contingencies, *variations in social climate* and *differences in relational perspectives* are more subtle and therefore more likely to be ignored. One's social networks and quality of public institutions in one's place of residence can influence one's lifestyle. For example, a major illness in a country with poor public healthcare facilities may force an individual to rely on unaffordable loans. Similarly, relative differences in acceptable standards and cost of living may ensure that despite earning much higher income, the poor in richer countries, for all practical purposes, remain worse off than those earning much less than them in poorer countries. In effect, the four contingencies discussed above can potentially deprive people by causing variations in the opportunities available to them for converting their income and other primary goods into functionings (i.e. into something that they value doing or being) and lead to unjust outcomes.

If people are to enjoy the freedom to choose to do or become whatever it is that they value, then what other than a social contract might convince individuals to confer upon each other some non-negotiable rights and protect each other's inalienable liberties (even if doing so were sometimes disadvantageous to their immediate interest)? Sen does not consider this to be an intractable problem.

Contrary to the contractarian Rawlsian view, he clarifies that it is entirely possible for ordinary, perfectly rational beings to choose lives that are not fixated with the “single-minded pursuit of own well being” (Sen 2009, p. 19). Generous hosts may not mind eating a smaller portion of that cake after all. They could reason that hospitality demands this generosity. Indeed, Sen considers the freedom to reason as being central to ensuring just outcomes. He argues that a rational society can be expected to reach workable solutions through public reasoning involving arguments from multiple perspectives. To further the cause of public reasoning, Sen (2009) invokes Smith’s (1790/2006) concept of the *impartial spectator* which involves viewing sentiments distally from a neutral and uninvolved position. He asserts that public reasoning about justice undertaken by impartial spectators would prompt societies to take into account other people’s interests so as to avoid bias, and also other people’s perspectives so as to ensure scrutiny of parochial values and assumptions.

Since Adam Smith’s notion of the impartial spectator explicitly entails eliciting views from all, including outsiders, it constitutes open impartiality (Sen 2009). In contrast, public reasoning in the Rawlsian view, consistent with the contractarian perspective, involves citizens justifying their decisions to each other. Since impartiality in Rawls’ original position is operationalised only through those who are party to the social contract, Sen labels it as closed impartiality. Advancing the cause of justice through public reasoning (underpinned by open impartiality) provides one of the key planks of Sen’s idea of justice. The *nyaya*-centric concern for lived outcomes provides the other key plank. Although Sen does not offer policy prescriptions on how one might create less unjust societies per se, his views on justice, as we discuss below, do have the potential to inform organisational ethics.

To begin with, one needs to ponder over the Senian view’s relationship with the extant notions of distributive and procedural justice found in the organisational justice literature. As we have already argued, *procedural* justice may be seen as being analogous to the institution-driven Rawlsian view. Similarly, we argue that *distributive* justice at the organisational level is analogous to the utilitarian approach premised upon ensuring ‘maximum good to maximum number’ at the societal level. To Sen, the choice between individualism inherent in Rawls’ contractarian view and collectivism inherent in the utilitarian view would seem to be a false dichotomy. As Sen observes, “If it turns out, for example, that in order to safeguard the liberties of all, we have to cultivate tolerance of each other in our respective values, then that is a public reasoning justification for cultivating tolerance” (Sen 2009, p. 111). The view embraced by Sen thus implicitly synthesises the utilitarian and the contractarian approaches to justice and, by

extension, it implies a comprehensive viewpoint that simultaneously factors in procedural and distributive justice at the organisational-level. Consider how might one apply Senian thinking to facilitate a more just reward system in organisations.

As one might expect, at the organisational-level, the Senian emphasis on public reasoning translates into the willingness to be open to public scrutiny and offer explanations for one’s actions. This need for transparency, essentially an element of *interactional justice*, has implications for how organisations communicate about and distribute their rewards. We had earlier argued that the Rawlsian view, being concerned only with procedural issues, would be ambivalent to large executive rewards. The utilitarian view, in contrast, being concerned with distributive equity would frown upon the practice. This view would require business organisations to ensure fair pay by maintaining an identical input-to-outcome ratio across the entire organisation. That is to say, an executive could be given four times the rewards given to her subordinate only if she provided four times the inputs to her organisation. This is exactly what equity theory (Adams 1965) states. Equity theory, in fact, implies that organisations cannot summarily explain away high executive compensation by invoking external labour market conditions. While agreeing with equity theory in principle, the Senian view, with its preference for public scrutiny, would require organisations to go beyond fair equity ratios and publicise the links between organisational performance and executive action. Further, as we argue below, the Senian view, being concerned with contingencies that could impede people’s functionings, would require firms to institute a more equitable reward system.

By identifying the four contingencies that could adversely impact an individual’s functionings, the Senian view implies that organisations should customise or individualise their reward systems. Unfortunately though, the contingencies related to personal heterogeneity and variations in physical and social climate could make it difficult for organisations to second-guess individual employee needs. In such cases, organisations might be better off designing compensation packages that facilitate employee functionings in general by offering purely cash-based incentives. For instance, the best salesperson of the year with a phobia of flying in our earlier example could feel truly rewarded if given an option to exchange her air ticket for cash to enable her organise palliative care for her ailing father (assuming that this was a functioning that she valued). Interestingly, the contingency related to differences in relational perspectives has implications for the long-standing debate in the business ethics literature over whether MNCs should pay high home-country or low host-country level of wages (see De George 1986; Maitland 1997). The Senian view implies that a reward regime

should reflect the local cost of living. This, of course, runs counter to the Kantian arguments for respecting the individual and paying home country wages even in low wage host countries (Arnold and Bowie 2003).

The emphasis on the cost of living in one's actual place of residence notwithstanding, the Senian view does not automatically justify MNCs paying low wages. In fact, the reverse might be the case if one truly understands what it takes to realise a functioning. For instance, an MNC that chooses to employ a woman in Saudi Arabia may not only have to provide the employee with a car (a resource), but also a chauffeur (to facilitate a functioning) because Saudi Arabian women can neither travel unaccompanied in public transport nor are they allowed to drive a car. Similarly, MNCs operating in regions lacking public healthcare and medical insurance schemes may have to allocate more resources for medical benefits than is normally the case. Indeed, in such regions, the only way to enable health-related functionings (i.e. to ensure employees "being" in good health) may be for MNCs to go out of their way to ensure the provision of, and access to, primary healthcare clinics. Thus, enabling functionings, from an organisational perspective, can prove very expensive. The Senian view prompts us to ask if there might be ethical grounds to question the reportedly low operating costs of MNCs in developing economies. Do MNCs in low wage countries overlook employee functionings?

As stated earlier, we believe that the Senian notion could prove particularly instructive when applied to MNCs given their proclivity to parochialism when operating in alien cultures (Vasquez 2000; also see Banai and Sama 2000). Therefore, in the next section, we apply a Senian lens and juxtapose it against Rawlsian thinking to study the experiences of the workforce at an Indian automotive plant as it was subjected to lean manufacturing practices by a Japanese MNC.

Justice Effects of Lean Manufacturing: The Toyota India Case

As the case study we are about to present pertains to managing a workforce in a lean environment, it would be pertinent to briefly discuss the main elements of lean thinking. The impact of lean production has engendered two distinct schools of analysis. Scholars treat lean either as a humanistic system of democratic capitalism which enriches worker experiences and national prosperity (Black 2008; Liker 2004), or as an exploitative system which fatigues workers and co-opts them into their own subjugation (Stewart et al. 2009; Jones, Latham and Betta 2013). Which school is correct, in some ways, is an empirical question (Vidal 2007). Nonetheless, while acknowledging

that the lens through which one views lean manufacturing has the potential to prejudice one's conclusions, we make an attempt below to frame lean manufacturing systems as institutions that in effect can deliver justice (or not) to the workforce at the organisational-level.

Lean Systems as Just Institutions

The Japanese automotive giant, Toyota is credited for having formally articulated the concept of lean manufacturing in the late 1950s. The concept of *value* is the essential starting point for understanding lean thinking. Anything that does not produce value is classified as *waste* and is said to detract from optimal value creation. An integrated process designed to maximise work flow, relentlessly eliminate waste, and efficiently use resources within a repetitive reliable system forms the essence of lean thinking (Ohno 1988). However, lean thinking is said to go beyond enhancing efficiency because rather than separating management (who think) from workers (who do), it brings together management and workers in a synergistic partnership of common citizenship. The combination of Tayloristic principles (e.g. standardised work) with more humanistic principles (e.g. worker empowerment) has led authors such as Adler and Cole (1993) to describe lean systems as *democratic Taylorism*. Lean systems emphasise teamwork, multi-skilling, continuous learning in pursuit of continuous improvement, and problem-solving within a non-discriminatory, unitarist culture and family-like, trustful atmosphere. Opportunities are open to all to seek financial and psychosocial rewards that flow from participating in quality improvement programmes (Gough and Fastenau 2003). Indeed, some scholars imply that lean manufacturing is an ethical practice that enhances justice in the workplace (Liker and Hoseus 2008; Hummels and Leede 2000).

Hailing lean thinking as one of the most influential management ideas of the last 50 years, Duncan and Ritter (2014) note that lean is actually about delivering what customers truly need, making work more meaningful by clearly linking it to a firm's goals, and enabling workers to contribute to their full potential. Despite some recent safety-related setbacks,³ Toyota continues to be the standard-bearer of lean thinking. In some circles, Toyota, or more accurately, the Toyota production system (TPS), enjoys almost cult-like status (Liker and Ogden 2011;

³ In 2010, following several allegations of unintended accelerations leading to fatal accidents, Toyota recalled over seven million cars in the US alone. In his testimony to a US Congressional Committee, the CEO Akoyo Toyoda admitted that Toyota had grown its overseas operations too rapidly; thereby implying that the company had failed to indoctrinate its new employees and suppliers to the demanding tenets of lean manufacturing (see Heskett 2011, pp. 128–132).

Osono et al. 2008; Rother 2010). The TPS is underpinned by the Toyota Way, a set of managerial values and belief system that embraces the lean principles discussed above, eschews short-term gains, puts a premium on identifying the real source of a problem, and emphasises the need to develop employees and suppliers alike (see Liker 2004). Toyota's handbook reminds its employees to "respect others, make every effort to understand each other, take responsibility and do our best to build mutual trust" (TMC 2001, p. 3). All this suggests that building a supportive and respectful culture is a critical human resource function at Toyota (Preece and Jones 2010).

Given the equal access to resources and rewards, and the avowed respect for people, the advocates of lean would have little trouble arguing that *prima facie* the TPS meets the requirements of being a just institution. The concepts that constitute Toyota's core set of values and beliefs are said to "transcend language and nationality, finding application in every land and society" (TMC 2001, p. 3). Regarded from this viewpoint, the Toyota Way would represent a culture-neutral, prescriptive, one-best-way approach to fostering a humane and highly efficient manufacturing environment. There appear to be no reasons that might prevent Toyota from successfully transplanting the TPS to different cultures around the world. But as Sen (2009) observes, just institutional arrangements do not necessarily lead to just behaviours. We now examine the reality at Toyota's plant in India. Our case study is based on primary and secondary data collected over the last 5 years by one of the authors who made three field trips to the plant.

Behavioural Realities at Toyota India

Toyota established its presence in India in 1997. It commenced operating through a joint venture called Toyota Kirloskar Motors Private Limited (TKM) in Bidadi village on the outskirts of Bangalore in the southern state of Karnataka in late 1999. The first motor vehicle rolled off the production line in January 2000. The state government gave several incentives to the joint TKM venture, including entry tax waiver, low cost loans, preferential land allotment, and concessional water and power tariff. It even relaxed pollution norms. Initially, Kirloskar, the Indian partner in the joint venture, had a 50 % stake; this reduced to 21 % in 2001; and later to just one percent (Das and George 2006). Toyota did not seem to mind Kirloskar diluting its equity. Expecting India to eventually emerge as a global automotive hub, Toyota probably welcomed gaining more control over the operations. TKM aimed to capture 10 % of the Indian market by 2010. But things did not go as planned. TKM's operations were besieged by severe industrial unrest between 2001 and 2007. In 2007,

TKM's market share hovered around a mere three percent. In 2008, the new CEO, conceded that "(over) the last 10 years we've learnt our lessons. Now, we are ready to jumpstart our business in the country..." (Business Standard 2008). Unfortunately, TKM's plants again went into lockout mode in March 2014 for over a week (New Indian Express 2014). As we write this, TKM does not appear to be on course to achieve its revised aim—10 % of the targeted market segment by 2015. Clearly, Toyota failed to "jumpstart". Where did the MNC go wrong?

The operations at the TKM plant had commenced with a lot of promise. The enthusiastic workforce in the assembly line consisted almost entirely of young males from the surrounding villages who had a two-year diploma, but no work experience. Such a hiring policy, according to a shop steward, helped TKM indoctrinate workers to the Toyota Way more easily. Japanese trainers were flown in and Indian workers were also sent for training to plants in Japan, Taiwan, and Indonesia. The young workers were reportedly very keen to learn. Initially, the company set modest targets that could be met comfortably in a single-shift. But with demand exceeding expectations, the management introduced a two-shift system in the latter half of 2000. The intervening 4-hour gap between the two shifts also had to be frequently filled with compulsory overtime work at short notice. This pace of industrial work proved too much for the local workforce. Several areas came under pressure. There were accusations of Japanese trainers and managers abusing and shouting at Indian workers' lack of attention to quality, sometimes in derogatory racial terms. Allegedly, Indian managers were largely suppressed in their influence, being confined to the lower levels of the managerial hierarchy. Things came to a head when in March 2001, the TKM management announced a miniscule wage hike. The workers lodged a protest by boycotting lunch. The management deemed this boycott to be a strike. Several workers were interrogated, and the leader behind the protest dismissed. This led to further protests. Thus, started a downward spiral which led to the complete breakdown of industrial relations at the TKM plant.

Commencing March 2001, over the next 6 years, production at TKM was regularly hampered. Partially, the technology brought in by Toyota was to blame. In the words of one of its managers, it was "scrap" technology designed to produce a vehicle that had already been phased out in Indonesia. Given the low automation levels, it is hardly surprising that the workers protested as the work intensified on the assembly line. Occupation health and safety issues came to the forefront (Das and George 2006), as did concerns about the tendency to ramp up production with the help of contract workers who enjoyed no job security (James and Jones 2014). Even permanent TKM employees did not feel secure. Shop floor workers selected

for permanent roles had to undergo a two-year training period, followed by a 1-year probation period. During this long period, they were particularly vulnerable to being exploited and found it difficult to decline overtime work. Perceived managerial insouciance at the plight of workers greatly exacerbated matters. Feeling victimised, the employees decided to form a union. But their efforts were initially thwarted as the management decided to sponsor a Team Members Association (TMA). When the elected TMA leaders raised probation- and wage-related issues, they were told that the TMA's remit was confined to employee safety and welfare (e.g. the quality of food in the canteen). One of the more active TMA leaders was, in fact, dismissed on grounds of poor performance. Disenchanted, the employees sought help from external unions and managed to get their union registered in June 2001. They called it the Toyota Kirloskar Motor Employees' Union (TKMEU).

Traditionally, the trade unions in India tend to be affiliated to a political party. The TKMEU was no exception. The Japanese management strongly disapproved the involvement of non-TKM employees in the union. It took the management all of six years to formally recognise the TKMEU. In the ensuing period, scores of union members were either terminated or suspended on grounds of employee intimidation, misbehaviour, and poor performance. This caused great disquiet. While the union officials alleged that the performance appraisal system was being unfairly used to target its leaders, the management claimed that the system was transparent and similar to the systems adopted in other Toyota facilities worldwide. The performance appraisal system was considered critical to implementing the TPS and ensuring quality. Interestingly, the workers described the TPS as exploitative and inhumane and the performance appraisal system as arbitrary. The latter, was allegedly used to 'reward loyalty.' External trade union sources in personal interviews were equally scathing, describing TKM as 'a Nazi camp.' Given the strong resentment against the manner in which TPS was being implemented, the protests continued with employees boycotting lunch, refusing overtime work, and skipping morning physical exercise.

Expecting the visibly agitated workforce to escalate matters, the TKM's senior management took pre-emptive action and successfully lobbied the state government to make automotive manufacturing an "essential service" (Das and George 2006). In other words, an automobile manufacturing plant got equated with a vital public utility. Consequently, employees were banned from declaring a strike within the premises of an automobile manufacturing plant. This was done surreptitiously in July 2001. The TKMEU would learn about this only in 2005 when contemplating a strike action. With cases of unfair dismissal

and suspensions mounting over the years, the TKMEU increasingly turned to the Labour Commissioner's office for justice. In February 2005, when the management declined to attend arbitration proceedings in a labour court, the union mobilised a large scale community support movement in Bangalore and surrounding areas and blocked all roads leading to the plant (Mathew and Jones 2013). On its part, the management held steadfast and refused to reinstate suspended employees. It also let it be known that Toyota was thinking of shifting its operations to another city in north India. In October 2005, the TKMEU lost its case in the Karnataka High Court, which deemed that the State government was acting well within its rights when it notified automobile manufacturing as an essential service.

Things took a sharp turn for the worse when an emboldened TKM, in early 2006, dismissed three workers for assaulting a supervisor despite their case being under consideration before the Bangalore Industrial Tribunal. In a fit of anger, the workers threatened to commit suicide by blowing up liquefied petroleum gas (LPG) cylinders stored at the plant. Fearing more pre-emptive dismissals, and ignoring the essential services ruling, the TKMEU immediately declared a strike at the TKM premises. The very next day, on 08 January, 2006 the management ordered a lockout. It claimed that in addition to suicide threats, there had been several other cases of violence inside and outside the plant and the management was no longer prepared to risk damage to life and property. The Labour Commissioner's intervention failed to resolve the impasse, and he handed over the case to the state government. Expectedly, the government declared the union's actions illegal. In the meanwhile, TKM's attempt to run its assembly line with its non-unionised workforce met with limited success. Facing financial losses, the management released advertisements in local newspapers announcing that it was recommencing full production on the request of workers and their families. When the union members returned to work, they were asked to sign a good conduct undertaking that forbade future strikes. This was unacceptable to the union.

The protests that followed were contained by some aggressive police action. Interestingly, it was around this time that TKM was participating in a programme with the Karnataka state government to upgrade the police station in the plant's vicinity. Eventually, the wording of the good conduct undertaking was watered down and work resumed at the plant on 24 January, 2006—only to get periodically stalled as the management continued to oppose reinstating suspended workers. By this time, the TKMEU case had gained international attention drawing support from unions all over the world. In a strong show of solidarity, the Japanese union ZENROREN protested outside Toyota's global headquarters and petitioned Toyota's Chairman to respect Indian labour laws. Eight trade unions in

Bangalore, cutting across political affiliations, came together and vowed to organise campaigns to make people aware of the state government's 'anti-worker' policies (Business Line 2006). The pressure applied by various agencies appeared to work. In an unexpected development, in early 2007, the TKM management agreed to formally recognise the TKMEU and negotiate with it, with the caveat that it remain an internal union and not involve any external agency.

The external union advising TKMEU agreed to move to the background and several TKM employees were reinstated. In fact, upon reinstatement, the three employees who had been involved in the LPG suicide incident, comfortably won the July 2007 TKMEU elections to become President, Vice President, and Secretary (Mathew and Jones 2013). Thereafter, the TKMEU did have some success in negotiating salary increases, lowering work intensity, and maintaining agreed upon labour-product ratios. In 2007, as part of its Corporate Social Responsibility (CSR) initiative, TKM started the Toyota Technical Training Institute (TTTI) with a view to creating employment opportunities for the rural youth in Karnataka. The TTTI offers free training and a living stipend to 64 students over 3 years. Its syllabus focuses on TPS-driven vocational skills and spends around 33 % of the time inculcating "body and mind discipline and teamwork". The wider community welcomed the TTTI initiative. By mid-2007, things appeared to be on the mend. As stated earlier, in 2008, TKM's new CEO acknowledged that Toyota had learnt its lessons. In 2010, far from abandoning Karnataka, Toyota opened its second plant right next to its first one.

Unfortunately, reports emanating from India suggest that history at TKM may be poised to repeat itself. The CEO has changed, as has the TKMEU leadership. The main sticking points that led to the lockout of both the plants in March 2014 pertained to injuries on the assembly line, over-reliance on casual labour, and a dispute over wage increase. According to media reports, the TKM management, citing financial pressures, has agreed to a wage hike of around \$60 per employee for 2014; the TKMEU is demanding an annual wage hike of around \$160 per employee (Business Standard 2014). With TKM employing 4,500 permanent workers, the additional annual outlay would be less than half a million dollars. To put this in perspective, Toyota recently paid \$1.2 billion to settle a US criminal probe into its defective 2009 and 2010 models; and on 9 April 2014, the world's most profitable car manufacturer claimed that it was being "overly cautious" as it recalled 6.4 million cars in one go (Stock 2014). Some sections in the Indian media have started questioning the sagacity and cultural sensitivity of the Japanese companies in India (e.g. Karunakaran 2014). In a recent interview to the media, the President of TKMEU strongly justified the

workers' demands and accused the TKM management of "trying to impose Japanese work culture on us" (New Indian Express 2014).

It does appear that the TPS as an institution has become unstuck in the face of behavioural reality in an alien culture. Toyota's unitarist, family-oriented philosophy probably led the MNC to believe that its Indian operation would be easily co-opted into its worldview. Clearly, this did not happen and the company's parochial expectations were belied. In the following section, we analyse why Toyota's effort to transplant the TPS in India led to allegations of unjust treatment and severe industrial unrest.

Applying the Senian and Rawlsian Lenses to the TKM Case

The TKM case raises several justice-related questions. Interestingly, as we argue below, conclusions about whether or not Toyota in general and TKM's management in particular acted in an unjust manner depends on whether one views the case through the process-driven Rawlsian lens or the outcome-driven Senian lens. We apply the two lenses in an attempt to generate insights on four important questions about the TKM case: (i) Who were TKM's legitimate stakeholders and were they ignored? (ii) Did the TPS, as implemented by TKM, empower or subjugate employees? (iii) Were TKM's employee dismissal and compensation policies just? (iv) What was the root cause of the industrial dispute at TKM and how might Senian thinking address it?

Stakeholder Legitimacy

At the outset, questions could be raised about the concessions that MNCs in general are able to extract as a precondition to establishing their operations in developing economies. These are not the kind of concessions businesses normally expect to get in their home countries. In this instance, the Karnataka government could readily justify granting tax concessions and pollution control waivers to TKM by citing the need to generate jobs and attract more MNCs to the state. After all, the democratically elected government was answerable to the unemployed youth—one of the largest sections of the population with a stake in the local economy. Toyota, on its part, like most MNCs, could make a business case to justify extracting as many concessions from the host-country as possible so as to create wealth for its shareholders. *Prima facie*, Toyota's actions could be deemed entirely consistent with the contractarian logic found in the Rawlsian view. The Senian view, however, would factor in the comprehensive outcomes of contracts from a neutral perspective and arrive at very different conclusions. In light of Toyota

choosing to export technology from its obsolete plant in Indonesia (ostensibly to save costs and maximise shareholder returns), Sen's impartial spectator would criticise the MNC for not catering to the interests of its future employees and point out that had Toyota been totally committed to the occupational health and safety of its Indian workforce (a future stakeholder) it would have exported higher levels of automation.

Introducing obsolete technology could also be seen as signifying a lack of commitment to future TKM customers. Further, dilution of pollution control norms would prompt any impartial spectator to hold the contracting parties—the Karnataka state government and TKM—guilty of ignoring the interests of future generations. Arguably, Toyota did recognise the wider community as a stakeholder when it upgraded the local police station and set up the TTTI to train rural youth. Nonetheless, a neutral view could question the need for indoctrinating the youth to the Toyota Way, especially when a TKM job was not a guaranteed outcome for TTTI graduates. Though not immediately apparent to the locals, TTTI's syllabus-induced indoctrination was tantamount to a *functioning* being taken away (in the sense that it might have prompted the students to mentally foreclose other options). Even with respect to upgrading the police station, an impartial spectator would wonder whether the confidence of having the police on their side might have unwittingly made the TKM's managers deal more aggressively with the striking workforce than they otherwise would have. In any case, the fact that the police had to finally intervene was an indictment of TKM's senior management. The latter seemed almost blindsided by its desire to transplant the TPS to TKM. Did the managers lose sight of what the TPS was meant to actually achieve? This brings us to the second question about whether the TPS empowered or subjugated TKM employees.

The TPS at TKM

By all accounts, TKM's management made every effort to successfully transplant TPS to India. Substantial resources were committed to training the workforce. The work teams were empowered to make suggestions and bring forth quality improvements. The managers followed time-tested TPS processes while instituting TKM's performance appraisal system. True, there was an over-reliance on Japanese expatriate managers at senior levels in the initial years, but this could largely be explained by the paucity of TPS-related experience amongst Indian managers. With respect to work intensification, especially overtime work, the management could well argue that it had created more opportunities for workers to earn additional income. And with workers protesting against additional shifts, the

management could again argue that it had been forced to rely on casual labour against its wishes. The contractarian Rawlsian view would not fault TKM's management for attempting to scrupulously implement TPS-related processes in letter and spirit. Furthermore, from the management's perspective, it was only fair that underperforming employees, especially those who had received adequate training, be dismissed.

Applying the Rawlsian lens, one could, in fact, argue that the two entities—management and labour—had entered into a contract on their own accord and either was at liberty to terminate the employment contract if not satisfied for any reason. We shall momentarily return to the “employment at-will” doctrine that the Rawlsian thinking seems to support at the organisational-level. For the moment, as the Senian view would have one do, we focus on the outcomes or the lived experiences of TKM's workforce. Did the process-driven institutionalised TPS actually result in employees feeling empowered? Were the outcomes produced by the TPS at TKM just?

The fact that TKM had to rapidly ramp up production in response to customer demand suggests that the TPS did enable the firm to launch a product that impressed the Indian market. But the TKM-employees, instead of feeling rewarded, felt exploited. As work intensified in the assembly line, so did the dissatisfaction-levels with the TPS-related processes. This was perhaps not surprising. As Vidal (2007) points out, evidence suggests that lean manufacturing processes do not necessarily lead to workers feeling empowered and satisfied. Critics who describe the TPS as an exploitative system (e.g. Stewart et al. 2009; Jones, Latham and Betta 2013) may well have a point. What made matters worse at TKM was that the workforce was not even given a choice to refuse overtime work. In fact, labour also lost its right to take strike action when the Karnataka state government declared automobile manufacturing an ‘essential service.’ This, in a country where the private car ownership rate is estimated to be 13 per 1,000 people (Ghate and Sundar 2013). In effect, the curtailment of freedom to protest amounted to the workforce being denied a functioning in Senian terms.

Interestingly, while TKM's management could rely on experienced Japanese expatriates to implement the TPS in the initial years, the young Indian workforce was denied access to the expertise of the external labour unions despite having several concerns about the insensitive manner in which the TPS was being implemented. This denial did not only betray the insularity that organisations with strong cultures such as Toyota tend to display (see Heskett 2011), but it also violated the existing labour laws in India. Indeed, an impartial spectator would probably conclude that a parochial Toyota had been afforded several laxities in Karnataka and seemed to enjoy an unusual level of

government support. To some extent, one can understand the Karnataka state government indulging TKM to ensure that the firm stay on in the state and expand its operations so as to generate jobs for the local economy. TKM-dependant ancillary businesses in the state also stood to gain by TKM's continuing presence and expansion plans. But again, an impartial spectator would ask if it was fair to pursue these larger ends at the expense of the TKM's workforce.

Ironically, the workforce, which was primarily responsible for generating prosperity in its immediate vicinity, was worried about its own job security. The fixation with successfully implementing the TPS led the management at TKM to institute an unusually long probation period and a performance appraisal system that was perceived as draconian by the workers. In fact, the workers and the TKMEU alleged that the appraisal system was being used for silencing vocal leaders. The supervisors at TKM reportedly rewarded subservience and not efficiency. With regards to efficiency, TKM's workers were particularly exercised about gains through efficiency not being distributed fairly. They did not seem to think that they were highly paid and described the unilaterally determined periodic wage rises at TKM as miniscule. The Senian view thus draws one's attention to how behavioural reality in India undermined the TPS. As perceived by TKM employees, the TPS not only failed to empower them, but it was also instrumental in affording an excuse to the local supervisors to subjugate the workforce and take away its functionings. As discussed next, TKM's employee dismissal and compensation policies only compounded the perceived TPS-related injustices.

Employee Dismissal and Compensation Policies

As alluded to earlier, Rawlsian thinking, being consistent with the *employment-at-will* doctrine, would maintain that dissatisfied workers could have always chosen to terminate their contracts. Note, however, that the contractarian logic in the *employment-at-will* doctrine seems to problematically assume unhindered labour mobility. But as Ghoshal (2005) argued, labour markets are seldom efficient and it is wrong to assume that employees can easily and costlessly switch jobs. With jobs being scarce in rural Karnataka, it was natural for TKM employees to feel threatened by the increasing reliance on casual labour. One can also understand their concerns over performance appraisal systems being (mis)used to trigger unjust dismissals. With respect to employee dismissals, Senian thinking seems consistent with the *just-cause* doctrine as it would require one to arrive at a termination decision through a neutral party in a transparent manner that was open to public scrutiny (see Harcourt et al. 2013 for a comparison between *just-cause*

and *employment-at-will* doctrines). Of course, as stated, nothing of the sort occurred at TKM—the terminations at its manufacturing plant were inadequately explained and based on performance ratings perceived to be unfair. At one level, it is intriguing that the TKM employees demanded higher wages despite being in a high unemployment environment and despite being aware of a lack of *just-cause* dismissal culture. What drove them to risk their jobs?

The workforce at TKM was very well paid by Indian standards. *Prima facie* its wage-increase demand seems unjustified. But Senian thinking goads one to ask if the strike action over wages was a symptom of a deeper malaise. Might there have been something about the work arrangements at TKM that was preventing its employees from realising the outcomes that they actually valued? Refer back to the Senian emphasis on enabling functionings in one's local environment. In India, strong family ties and friendships tend to cut across personal lives and professional workspaces, but a "Toyota worker is obliged to renounce social and familial duties and fill the space of his/her thought processes and actions with total commitment towards the company's goals" (Mathew and Jones 2013, p. 207). It is quite possible that work intensification at TKM led the employees to conclude that their freedom to socialise had been taken away. Thus, as cognitive dissonance theory (Festinger 1962)⁴ would explain, the well-paid TKM employees could have been sub-consciously driven to seek still higher wages by way of compensation for the loss of a critical functioning. Or, as explained below, there might be a simpler explanation.

It is pertinent to note that India's developing economy does not offer a safety-net for the unemployed. As stated, a majority of the TKM employees hailed from rural areas where employment opportunities were scarce. The young workers must have been the sole bread winners in their extended families and under tremendous pressure to provide for all family members, including those left behind in their ancestral villages. Moreover, since they had coveted MNC jobs, they might have been expected to provide for more generously than the norm by their extended families. Social expectations and familial obligations are precisely the kind of issues that Sen (2009) would capture under his *variations in social climate* contingency discussed earlier. Thus, the Senian view suggests that the wage-increase

⁴ Cognitive dissonance theory holds that when individuals experience conflicting feelings (i.e. dissonance), they experience psychological discomfort and make efforts to reach a state of consonance. At TKM, earning high wages and feeling disempowered owing to a functioning being deprived did not go together. The employees might have subconsciously tried to redress their cognitive dissonance through protests.

demands of the rural workforce were not as irrational as they seemed.

Evidently, the Senian notion of justice can offer MNCs a more nuanced understanding of the local issues. For whatever reason, TKM's senior management seemed to lack local insights. Eventually—after six long years to be precise—the management, in what was an example of the power of public reasoning, did respond to the criticisms from local and international labour unions, civil activists, and the Indian media. By 2007, things at TKM did appear to have settled down. However, with the old issues re-surfacing in 2014, it would appear that TKM had failed to address the source of its problems. So, what was the root cause of the problem? And how might have TKM solved the problem?

Identifying and Addressing the Root Cause

We theorise that the problems at TKM stemmed from its management and labour holding differing justice-related perceptions. As one would expect in a lean manufacturing environment, the management's allegiance lay with the process-driven institutionalised TPS. The workers, on their part, did try to implement the TPS, but resented the perceived injustices (e.g. a long probationary training period; work intensification and attendant health and safety issues; unfair performance appraisal systems) inflicted in the name of TPS. They thus demanded higher compensation. In turn, the management perceived the workers to be lazy, lackadaisical about quality, and mainly interested in monetary rewards. We therefore frame the dispute at TKM as tension arising due to perceived managerial fixation with procedural issues and perceived worker intransigence over distributive issues. Most managerial actions at TKM would be deemed justifiable if one were to embrace the *niti-centric* Rawlsian view of justice. Similarly, a utilitarian perspective would be highly sympathetic toward labour's demand for higher rewards. We believe that Sen's *nyaya-centric* view would take the middle ground. It constitutes, at least in theory, a pragmatic approach to understanding industrial disputes because it factors in procedural, distributive, and interactional concerns as it attempts to arrive at a comprehensive outcome valued by all the parties concerned.

The question, of course, is whether it is at all possible to implement a *nyaya-centric* approach in practice. In this instance, the Senian view would require the management to pay particular attention to the perception that TKM was preventing a social obligation-related functioning of the workforce from being realised. In such a scenario, any agreement on leave entitlements, work intensification, and compensation for over-time work would be doomed to failure if not fully discussed with and endorsed by the workforce. One possible way to reinforce social ties in the workplace, without compromising on quality and productivity, would be

to introduce team-based gain sharing plans. That is, plans which share a fixed percentage of profits or cost savings with teams identified as having directly generated the profits/savings in question (for more on the effectiveness of 'shared capitalism' in improving employee outcomes, see Kruse et al. 2010). Similarly, given the paucity of jobs in the local economy, TKM would be better advised to embrace the *just-cause* doctrine in letter and spirit and incorporate employee inputs in the design of performance appraisal systems and its disciplinary and dismissal procedures.

As previously noted, the Senian view recognises that human behaviour could subvert well-designed systems. The view would require TKM to acknowledge that since performance appraisal systems in general were particularly susceptible to being undermined by the frailties of human nature (see Dhiman and Maheshwari 2013), they could have been misused by TKM's supervisors to arbitrarily take away a critical functioning—the state of being employed. On its part, the workforce too would need to recognise the functionings valued by TKM as a corporate entity. For example, in the face of volatile consumer demand conditions, the TKMEU would need to accept the management's reliance on casual labour. Since the Senian view focuses on enabling the functionings of all the parties involved, we argue that it would make the disputing parties more amenable to abandoning their entrenched process- and distribution-focused positions. It does appear then that the *nyaya-centric* view of justice can indeed be implemented at the organisational level to not only facilitate dispute resolutions, but also to pre-empt industrial disputes. In the concluding section, we make an attempt to distil some generalisations from the TKM case.

Contributions, Implications, and Conclusion

We have already discussed some of the more obvious organisational implications of the Senian view of justice and contrasted them to those of the Rawlsian view. In this section, we will, in the main, confine ourselves to discussing the theoretical contributions and practical implications that follow from our analysis of the TKM case. Our analysis advances theory in two ways. Firstly, consistent with the Senian notion of comprehensive justice, it makes a case for integrating the different dimensions of organisational justice. Secondly, the analysis suggests that the underlying Senian rationale for relying on impartial spectators could be used to augment stakeholder theory. We briefly discuss these contributions in turn.

Integrating Organisational Justice Dimensions

The extant organisational justice literature identifies three justice dimensions: *procedural*, *distributive*, and

interactional (along with its interpersonal and informational sub-dimensions). While identifying these different dimensions might help one address measurement issues (e.g. Colquitt 2001), the fact is that to truly understand the lived experiences of a workforce, scholars need to acknowledge that the justice-related dimensions usually operate concurrently, and it can be difficult to tease apart their effects. We contend that Sen's (2009) conception is useful in the organisational context because it synthesises the dimensions of justice to propose *comprehensive justice* as a construct that focuses on lived experiences or actual realisations. Sen asserts that, "A full characterization of realizations should have room to include the exact processes through which the eventual states of affairs emerge" (p. 9). Accordingly, Sen considers the debate between the deontologists (those who focus on the means) and the consequentialists (those who focus on the ends) as "misplaced".

Albeit Sen theorises at the societal-level, if one agrees with our contention that his idea of justice has an analogue at the organisational-level, then there is a strong case for organisational ethicists to introduce the *comprehensive justice* construct in their theories. As our case analysis suggested, the Senian notion, if implemented, could facilitate dispute resolution across cultures. By emphasising the functionings of all the parties in question, the Senian view shifts the focus away from areas of disagreements to areas of mutual interest (it will have been noticed that we recommended a gain-sharing plan which linked employee rewards with employee effort and organisational performance as one of the ways of operationalising *comprehensive justice* at TKM). Put differently, Sen's comprehensive view has the potential to pre-empt and resolve disputes because it attempts to balance the functionings of various stakeholders. Thus, the view can offer insights on stakeholder theory as well.

Augmenting Stakeholder Theory

According to stakeholder theory (Freeman 1984), which is consistent with Rawlsian principles in the sense that it conceptualises a firm as a nexus of contracts (Freeman and Evan 1990), firms are morally obliged to cater to the legitimate interests of their stakeholders. But how is a firm to determine the primacy and legitimacy of its various stakeholders? Although business ethicists draw extensively from stakeholder theory, the theory has been criticised for being ambiguous about this vital question (see Laplume, Sonpar and Litz 2008; Steib 2009). We believe that Sen's view of justice can partially reduce this ambiguity. Donaldson and Preston (1995) imply that the Rawlsian influence on stakeholder theory is to blame for the latter completely ignoring "the roles of potential stakeholders not conspicuously involved in explicit or implicit contracts with the firm" (p. 80). Note the parallels with Sen's notion

of closed impartiality discussed earlier. Stakeholder theory emphasises the processes of multiple-stakeholder co-ordination rather than the specific agreements or outcomes achieved or experienced by the various stakeholders (Donaldson and Preston 1995). We believe that the Senian view can augment stakeholder theory because it factors in comprehensive outcomes from multiple viewpoints.

The Senian rationale for relying on impartial spectators and public reasoning to make justice-related determinations could be extended to determining the legitimacy and primacy of stakeholders. While making stakeholder-related determinations, public reasoning would probably agree with Ackoff (1999) who opined that a "legitimate need or desire is one the satisfaction of which does not reduce the chances of others satisfying their legitimate needs or desires" (p. 17). Hence, we argued that the Karnataka state government could not legitimately pander to TKM's management at the expense of the firm's workforce despite there being obvious benefits in doing so for the sake of other stakeholders in the larger economy. Extending this thinking, we claim that a plausible public reasoning argument suggests that a list of legitimate stakeholders of any firm ought to include all those who stand to lose any functioning at any time in the foreseeable future due to the focal firm's actions. Indeed, in the TKM case, we generally applied this thinking to identify future stakeholders who had been ignored by the contracting parties as Toyota negotiated its entry into India. We implied that the Rawlsian view, subscribing to a narrow contract-driven definition of stakeholders in the organisational context, would not have faulted the contracting parties for ignoring the interests of those not involved in the contract (e.g. future TKM employees).

It is not surprising that Mansell (2013) argues that the Rawlsian view is totally incompatible with stakeholder theory. He holds that the view implies a fiduciary duty primarily towards shareholders. Similarly, it is unsurprising that Reounard (2011) considers CSR (and thus the stakeholder view in its very broad sense) as being entirely compatible with Sen's capability approach. Perhaps the Rawlsian and Senian views, when applied at the organisational-level, diverge as much as they do because the former implies a shareholder focus and the latter, by relying on public reasoning to facilitate functionings within a society, seems to favour the stakeholder approach. But is it appropriate to compare a corporate entity with a sovereign state? Can stakeholders be equated with citizens? As we observed at the outset, several extant organisational justice theories seem to assume that, at least up to a point, an analogue between the organisational- and societal- or state-level notions of justice does exist (see Moriarty 2005 for a detailed discussion of this issue). In any event, our case analysis does not really stretch the organisation as a nation state analogy; it merely conceptualises organisations as entities which attempt to

distribute the fruits of social co-operation at the local level.⁵ Apart from potentially advancing organisational justice theory, our case analysis, as we discuss below, has some normative implications for practice.

Implications for Practice

We had earlier pointed out that confidential reward regimes run counter to the Senian need for public scrutiny. The current legislation on executive compensation disclosures in industrial democracies does not go far enough (see Thomas and Hill 2012 for a summary of the requirements across nations). The Senian view implies that companies should surface the rationale behind important justice-related decisions. It follows that recalcitrant companies which continue to overpay their executives should be made to publicise the tenuous—and some would even say non-existent—link between organisational performance and executive action (Bebchuk and Fried 2006). Disclosures of this nature could be expected to deter distributive injustice. Further, the non-parochial element in the Senian view requires that MNCs in particular be aware of the critical functionings in local environments across the board—not only when deciding whether to pay home- or host-country wages, but also when formulating any policy that could directly impact employee experiences (e.g. hiring policies, disciplinary procedures, employee code of conduct, and so forth). More generally, the Senian view implies that workplaces ought to be overseen by an impartial spectator. At the risk of making an overly radical inference, we argue that taken to its logical conclusion, the Senian view implies that firms beyond a certain size be required to nominate, through due process, a workplace ombudsperson (with limited judicial powers) acceptable to both management and labour.

The office of the ombudsperson,⁶ if instituted, could be expected to adjudicate on all important justice-related

issues and make it possible for management to rely on under-specified processes thereby neutralising a potential source of conflict. Recollect that our framing of industrial dispute at TKM implied that management, probably out of a desire to exercise greater control, tends to show greater allegiance to procedural justice and this is resented by labour. The Senian view suggests that rather than being inflexible and prescriptive, the elements of procedural justice should embrace processes and practices that afford autonomy to the workforce. This normative need for genuine empowerment to enable functionings in the workplace implies that organisations should, to the extent possible, under-specify processes and procedural issues. For non-routine and important justice-related issues, the procedure could entail the concerned parties first negotiating, ideally in the presence of an organisational ombudsperson, an acceptable process. A negotiated process would enjoy greater credibility and wider acceptance within organisations. For example, a mutually agreed customised schedule of interventions to deal with an under-performing employee would probably be perceived as being fairer than a highly prescriptive one-size-fits-all performance management policy.

The above discussion implies that it would be a fallacy to design elaborate processes to meet the requirements of procedural justice for important non-routine matters. Moreover, there is some evidence to suggest that well defined, highly structured processes have failed to lower litigation rates (see Goldman et al. 2006). In fact, they might be having a perverse effect. One can readily imagine how over-specified processes might increase the probability of managerial errors of omission and create opportunities for employees, including for those genuinely in the wrong, to successfully sue their organisations. The choice then seems to be between ensuring compliance with over-specified processes and relying on local judgment to cope with under-specified processes. Analogously, at the societal-level, the Rawlsian view holds that we cannot do much better than design just institutions and rely on rules and regulations. The Senian view, while not dismissing the need for sound institutions, holds that we cannot do much better than hope to impartially reason away manifest injustices. But which of the two views is more susceptible to being undermined by human behaviour at the organisational level? To what extent, if at all, can organisations be relied upon to reason away manifest injustice without being subjected to prescriptive legal requirements?

⁵ As per Rawls (1971), justice operates at three levels: global, domestic, and local. He asserts that justice-related principles embraced at the domestic level by a society extend their influence outwards to inform a nation's foreign policy at a global level and percolate downwards to influence justice at the local level. So, one could theorise about business organisations as entities operating at the local level of a Rawlsian justice delivery mechanism (for a more detailed analysis see Lindblom 2011).

⁶ The office being recommended will not substitute current institutional arrangements at the societal-level. The labour courts and fair work commissions will no doubt have to continue intervening as impartial spectators when required. As envisaged by us, an ombudsperson at the organisational-level would reduce the workload of the judicial institutions by intervening at an earlier stage. As apparent from the "automobile manufacturing as an essential service" ruling in the TKM case, formal legal interventions, across democracies, tend to be *niti-centric*. We believe that someone who actually understands and has experienced the work environment in question would be more likely to embrace Sen's notion of comprehensive (i.e. *nyaya-centric*)

Footnote 6 continued

justice and enhance just outcomes at the local level. Of course, the modalities of selecting and training an ombudsperson from amongst regular employees will need careful consideration. As a practical measure, to ensure neutrality, the local level ombudsperson could be compensated by the public exchequer.

Ultimately, the answer to these questions can only be determined empirically.

With respect to organisational responses to manifest injustice (e.g. child labour or anti-competitive cartels), the Senian view implies that organisations can (and should) respond without necessarily agreeing on either the features of a perfectly just institution or what a perfectly just outcome might look like. In other words, Sen's view would accommodate any organisational action that lowered manifest injustice levels as long as the action did not trample upon the functionings of others. Thus, the Senian view affords organisations a range of options (the flexibility/relativism inherent in the view is also evidenced by the flute example discussed earlier). But this is not to say that flexibility (e.g. under-specification of processes) makes the job of organisations any easier. If anything, such flexibility makes it incumbent upon organisations to be all the more sensitive to individual needs (as we had pointed out, there are administrative difficulties associated with customising reward allocation decisions; hence the recommendation to institute cash incentives where possible).

The extant organisational justice literature does recognise the challenge of individuating distributive outcomes. For instance, Deutsch (1985), analysing the issue from a reward allocator's perspective, observes that in systems where economic productivity is the prime goal, equity is the fairest way to allocate rewards; when the goal is to foster good social relations, equality becomes the favoured principle; and in social systems where the fostering of personal development is the main goal, need becomes the dominant principle of distributive justice. Since productivity, social relations, and personal development are all relevant to modern corporations, there would be opportunities for decision makers to apply all the three reward allocation principles on a case-by-case basis. The literature also theorises about reward allocation decisions being influenced by personal relationships. Distributive decisions concerning close friends tend to be need-based, but when decision makers are concerned with distant individuals, they are expected to follow equality norms; and equity considerations are expected to take over if the decisions concern distant individuals in specific organisational roles (Greenberg 1987). Indeed, if decision makers are to, in theory, enjoy such latitude, then it would be legitimate to ask if flexibility, in practice, might create opportunities for unethical behaviour.

As discussed, Sen criticises Rawls' *transcendental institutionalism* for ignoring the frailties of human behaviour. While Sen's criticism may be valid, it underlines the fact that the nature of outcomes can never be guaranteed in the face of human involvement. The freedom that managers enjoy to choose amongst competing justice-related alternatives may not necessarily assist in combating manifest

injustice at the organisational level. In other words, Sen's criticism applies to his own view of justice as well. Can we really be sure that the weight of public reasoning would succeed in eliciting just behaviours from either management or labour? Indeed, the office of the ombudsperson as envisaged by us too could be undermined by human follies.

In the foregoing sections, we argued that theories of social justice could be appropriated to the organisational-level. We pointed out that while the extant societal-level theories of justice tend to emphasise aspects that are analogous with either the procedural or distributive dimensions of justice at the organisational-level, Sen's (2009) idea of justice, drawing from Eastern and Western philosophers, social choice theory, and his own capability perspective, synthesises the justice dimensions to propose the *comprehensive justice* construct. Unlike Rawls (1971), who advocated designing perfectly just institutions and processes to achieve perfectly just distributive outcomes, Sen (2009) advocates advancing the cause of justice by focusing on outcomes that are manifestly unjust so as to alleviate people's lived experiences in the here and now. A juxtaposition of the Senian and Rawlsian views in the organisational context helped us infer important implications especially with regard to reward systems within organisations in general and MNCs in particular. Further, recognising the practical relevance of the Senian emphasis on non-parochialism, we analysed the justice-related outcomes of a Japanese MNC's lean manufacturing operations in India. Our analysis offered tentative support to Sen's claims about the capacity of human behaviour to undermine well-designed institutions—recollect that we had framed the TPS as an institution.

Importantly, our case analysis also showed that at least some, if not most, industrial disputes could be framed as conflicts between differing justice-related perceptions. We observed that Sen's notion of comprehensive justice, if applied at the organisational-level, could pre-empt disputes and facilitate dispute resolution by simultaneously factoring in multiple and neutral perspectives. Further, we pointed out that the underlying rationale of the Senian view of justice could be extended to determine the legitimacy of the competing claims of various stakeholders and thereby augment stakeholder theory. Inferring from the Senian view, we made a case for greater organisational transparency across the board, including in executive compensation decisions, so as to enable public scrutiny. We also argued that an office of an independent organisational-level ombudsperson would be consistent with the Senian need to fight manifest injustices at the workplace. Finally, our interpretation of the Senian view, somewhat counter-intuitively, suggested that under-specified processes could enhance justice in the workplace. More research is needed to determine the validity of our

arguments because any workplace initiative is susceptible to being undermined by human behaviour. There may be no such thing as a silver-bullet against pervasive injustice in the workplace; nonetheless, we believe that organisational ethicists will discover that the Senian view has the potential to make a difference and merits a place in their armoury.

References

- Ackoff, R. L. (1999). On learning and the systems that facilitate it. *Reflections: The SoL Journal*, 1(1), 14–24.
- Adams, J. S. (1963). Towards an understanding of inequity. *The Journal of Abnormal and Social Psychology*, 67(5), 422–436.
- Adams, J. S. (1965). Inequity in social exchange. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 2, pp. 267–299). New York: Academic Press.
- Adler, P., & Cole, R. (1993). Designed for learning: A tale of two auto plants. *Sloan Management Review*, 34(3), 85–94.
- Arnold, D. G., & Bowie, N. E. (2003). Sweatshops and respect for persons. *Business Ethics Quarterly*, 13(2), 221–242.
- Banaï, M., & Sama, L. M. (2000). Ethical dilemmas in MNCs' international staffing policies a conceptual framework. *Journal of Business Ethics*, 25(3), 221–235.
- Bebchuk, L. A., & Fried, J. M. (2006). *Pay without performance: The unfulfilled promise of executive compensation*. Boston, MA: Harvard University Press.
- Bies, R. J., & Moag, J. S. (1986). Interactional justice: Communication criteria of fairness. In R. J. Lewicki, B. H. Sheppard, & M. H. Bazerman (Eds.), *Research on negotiation in organizations* (Vol. 1, pp. 43–55). Greenwich, CT: JAI Press.
- Black, J. (2008). *Lean production: Implementing a world-class system*. New York: Industrial Press.
- Business Line. (2006). Trade unions form body to support Toyota workers. Retrieved Jun 17, 2014 from <http://www.thehindubusinessline.com/>.
- Business Standard. (2008). Infrastructure hurdles delaying Prius launch. Retrieved Jun 17, 2014 from http://www.business-standard.com/article/companies/-infrastructure-hurdles-delaying-prius-launch-108090701039_1.html.
- Business Standard. (2014). Car production comes to a halt at Toyota's Bidadi plants. Retrieved Jun 17, 2014 from <http://www.business-standard.com/>.
- Colquitt, J. A. (2001). On the dimensionality of organizational justice: a construct validation of a measure. *Journal of Applied Psychology*, 86(3), 386–400.
- Colquitt, J. A., Conlon, D. E., Wesson, M. J., Porter, C. O., & Ng, K. Y. (2001). Justice at the millennium: a meta-analytic review of 25 years of organizational justice research. *Journal of Applied Psychology*, 86(3), 425.
- Cornelius, N., & Gagnon, S. (2004). Still bearing the mark of Cain? Ethics and inequality measurement. *Business Ethics: A European Review*, 13(1), 26–40.
- Das, K., & George, S. (2006). Labour practices and working conditions in TNCs: The case of Toyota Kirloskar in India. In D. Chang (Ed.), *Labour in globalising Asian corporations: A portrait of struggle* (pp. 273–302). Hong Kong: Asia Monitor Resource Centre.
- De George, R. T. (1986). Ethical dilemmas for multinational enterprise. In W. M. Hoffman, A. E. Lange, & D. A. Fedo (Eds.), *Ethics and the multinational enterprise: Proceedings of the 6th national conference on business ethics* (pp. 39–46). Lanham: University Press of America.
- Deutsch, M. (1985). *Distributive justice: A social-psychological perspective*. London: Yale University Press.
- Dhiman, A., & Maheshwari, S. K. (2013). Performance appraisal politics from appraisee perspective: A study of antecedents in the Indian context. *The International Journal of Human Resource Management*, 24(6), 1202–1235.
- Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, 20(1), 65–91.
- Duncan, E., & Ritter, R. (2014). The next frontiers for lean. *McKinsey Quarterly*, 2, 82–89.
- Festinger, L. (1962). Cognitive dissonance. *Scientific American*, 207(4), 93–107.
- Fishkin, J. (1975). Justice and rationality: Some objections to the central argument in Rawls's theory. *The American Political Science Review*, 69(2), 615–629.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston, MA: Pitman.
- Freeman, R. E., & Evan, W. M. (1990). Corporate governance: A stakeholder interpretation. *Journal of Behavioral Economics*, 19(4), 337–359.
- Ghate, A. T., & Sundar, S. (2013). Can we reduce the rate of growth of car ownership. *Economic and Political Weekly*, 48(23), 32–40.
- Ghoshal, S. (2005). Bad management theories are destroying good management practices. *Academy of Management Learning & Education*, 4(1), 75–91.
- Goldman, B. M., Gutek, B. A., Stein, J. H., & Lewis, K. (2006). Employment discrimination in organizations: Antecedents and consequences. *Journal of Management*, 32(6), 786–830.
- Gough, R., & Fastenau, M. (2003). *Implementing different concepts of lean production: Workers' experiences of lean production in North American transplants*. Working Paper Series. Melbourne: School of Management, Victoria University of Technology.
- Greenberg, J. (1987). A taxonomy of organizational justice theories. *Academy of Management Review*, 12(1), 9–22.
- Greenberg, J. (1990). Organizational justice: Yesterday, today, and tomorrow. *Journal of Management*, 16(2), 399–432.
- Greenberg, J. (1993). The social side of fairness: Interpersonal and informational classes of organizational justice. In R. Cropanzano (Ed.), *Justice in the workplace: Approaching fairness in human resource management* (pp. 79–103). Hillsdale, NJ: Erlbaum.
- Harcourt, M., Hannay, M., & Lam, H. (2013). Distributive justice, employment-at-will and just-cause dismissal. *Journal of Business Ethics*, 115(2), 311–325.
- Heskett, J. (2011). *The culture cycle: How to shape the unseen force that transforms performance*. Upper Saddle River, NJ: FT Press.
- Homans, G. C. (1961). *Social behavior: Its elementary forms*. New York: Harcourt, Brace & World.
- Hummels, H., & Leede, J. (2000). Team work and morality: Comparing lean production and socio technology. *Journal of Business Ethics*, 26(1), 75–88.
- James, R., & Jones, R. (2014). Transferring the Toyota lean cultural paradigm into India: Implications for human resource management. *The International Journal of Human Resource Management*, 25(15), 2174–2191.
- Jones, R., Latham, J., & Betta, M. (2013). Creating the illusion of employee empowerment: lean production in the international automobile industry. *International Journal of Human Resource Management*, 24(8), 1629–1645.
- Karunakaran, N. (2014). After Honda and Maruti Suzuki, Toyota faces labour unrest in India; are Japanese cos insensitive? *The*

- Economic Times*. Retrieved Jun 7, 2014 from <http://economic.times.indiatimes.com/configspace/ads/defaultinterstitial.html>.
- Kruse, D. L., Freeman, R. B., & Blasi, J. R. (2010). Do workers gain by sharing? Employee outcomes under employee ownership, profit sharing and broad-based stock options. In D. L. Kruse, R. B. Freeman, & J. R. Blasi (Eds.), *Shared capitalism at work: Employee ownership, profit and gain sharing, and broad-based stock options* (pp. 257–290). Chicag, IL: University of Chicago Press.
- Laplume, A. O., Sonpar, K., & Litz, R. A. (2008). Stakeholder theory: Reviewing a theory that moves us. *Journal of Management*, 34(6), 1152–1189.
- Leventhal, G. S. (1980). What should be done with equity theory? New approaches to the study of fairness in social relationships. In Kenneth J. Gergen, Martin S. Greenberg, & Richard H. Willis (Eds.), *Social exchange: Advances in theory and research* (pp. 27–55). New York: Plenum Press.
- Liker, J. (2004). *The Toyota Way*. New York: McGraw-Hill.
- Liker, J., & Hoseus, M. (2008). *Toyota culture*. New York: McGraw-Hill.
- Liker, J., & Ogden, T. (2011). *Toyota under fire*. New York: McGraw-Hill.
- Lindblom, L. (2011). The structure of a Rawlsian theory of just work. *Journal of Business Ethics*, 101(4), 577–599.
- Maitland, I. (1997). The great non-debate over international sweatshops. *British Academy of Management Annual Conference Proceedings* (pp. 240–265). Reprinted in T. Beauchamp & N. Bowie (Ed.) *Ethical theory and business*, 6th ed. (2001, pp. 593–605). Engelwood Cliffs, NJ: Prentice Hall.
- Mansell, S. F. (2013). *Capitalism, corporations and the social contract: A critique of stakeholder theory*. Cambridge: Cambridge University Press.
- Mathew, S. K., & Jones, R. (2013). Toyotism and Brahminism: Employee relations difficulties in establishing lean manufacturing in India. *Employee Relations*, 35(2), 200–221.
- Moriarty, J. (2005). On the relevance of political philosophy to business ethics. *Business Ethics Quarterly*, 15(3), 455–473.
- New Indian Express. (2014). Toyota employees stay away, refuse to sign undertaking. Retrieved Jun 17, 2014 from <http://www.newindianexpress.com/>.
- Ohno, T. (1988). *Toyota production system*. New York: Productivity Press.
- Osono, E., Shimizu, N., & Takeuchi, H. (2008). *Extreme Toyota*. Hoboken, NJ: Wiley.
- Preece, D., & Jones, R. (2010). Human resource development and management in lean production. *International Journal of Human Resources Development and Management*, 10(1), 1–13.
- Rawls, J. (1958). Justice as fairness. *The Philosophical Review*, 67(2), 164–194.
- Rawls, J. (1971). *A theory of justice*. Cambridge, MA: Harvard University Press.
- Rawls, J. (1993). *Political liberalism*. New York: Columbia University Press.
- Rawls, J. (1999). *A theory of justice*. Cambridge, MA: Harvard University Press.
- Renouard, C. (2011). Corporate social responsibility, utilitarianism, and the capabilities approach. *Journal of Business Ethics*, 98(1), 85–97.
- Rother, M. (2010). *Toyota kata*. New York: McGraw-Hill.
- Sen, A. (1985). *Commodities and capabilities*. Amsterdam: North-Holland.
- Sen, A. (2009). *The Idea of justice*. Cambridge, MA: Belknap.
- Smith, A. (1790/2006). *The theory of moral sentiments*. Mineola, NY: Dover.
- Stewart, P., Richardson, M., Danford, A., Murphy, K., Richardson, T., & Wass, V. (2009). *We sell our time no more*. London: Pluto Press.
- Stieb, J. A. (2009). Assessing Freeman's stakeholder theory. *Journal of Business Ethics*, 87(3), 401–414.
- Stock, K. (2014). Toyota's reputation takes 6.4 million fresh dents with its latest sweeping recall. *The Businessweek*. Retrieved Jun 17, 2014 from <http://www.businessweek.com/>.
- Stouffer, S. A., Suchman, E. A., DeVinney, L. C., Star, S. A., & Williams, R. M, Jr. (1949). *The American Soldier: Adjustment during army life* (Vol. 1). Princeton, NJ: Princeton University Press.
- Thibaut, J. W., & Walker, L. (1975). *Procedural justice: A psychological analysis*. Hillsdale, NJ: Erlbaum Associates.
- Thomas, R. S., & Hill, J. G. (Eds.). (2012). *Research handbook on executive pay*. Northampton, MA: Edward Elgar Publishing.
- TMC. (2001). *The Toyota Way (annual report)*. Tokyo: Toyota Motor Corporation.
- Velasquez, M. (2000). Globalization and the failure of ethics. *Business Ethics Quarterly*, 10(1), 343–352.
- Vidal, M. (2007). Lean production, worker empowerment, and job satisfaction: A qualitative analysis and critique. *Critical Sociology*, 33(1–2), 247–278.