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Training and new forms of work organisation

Chris Rees

Introduction

There has been much concern in recent years with the development and introduction of new ways of organising work which facilitate flexibility and improved quality, and which encompass and accommodate new technologies. What are these new forms of work organisation? And what are their implications for workplace training?

This chapter is concerned with examining the links between workplace training and work organisation, and advances the central argument that focused training is one of the necessary conditions for success in introducing new forms of work organisation. It begins with a brief overview of developments in work organisation through the twentieth century, before turning to a consideration of recent developments in job design which have been aimed at improving employee flexibility, satisfaction and commitment. Here, particular emphasis is given to TQM initiatives, and data are presented from two recent studies of TQM, both of which serve to highlight the contribution of targeted training to employee commitment.

Whilst targeted training may be a prerequisite for successful work organisation, it remains only one factor. The chapter thus moves on to put training in the context of other issues which are considered to be necessary requirements. These are discussed in the context of the European Commission's recent Green

Paper, *Partnership for a New Organisation of Work*, and the chapter ends by drawing out some of the wider policy implications of these debates.

Developments in work organisation

Following Buchanan (1994), approaches to the design of work systems can be seen as having progressed through three broad phases during the twentieth century. In the first of these three phases, from 1900 to 1950, approaches to work design were dominated by the principles of 'scientific management', based upon task fragmentation and the clear division between manual or clerical work on the one hand, and management responsibilities on the other. A particular form of production system and work organisation is often presumed to have dominated American and European economies during this period. This system is characterised by mass production and is often referred to as 'Fordism' (after Henry Ford, the automobile manufacturer), with the underlying principles owing much to the work of F. W. Taylor (1911), and frequently referred to collectively as 'Taylorism'.

Taylor developed the means whereby the labour process could be designed and organised to facilitate the mass production of standardised products. This was achieved through the design and fragmentation of work into a large number of small tasks, each of which required very little skill and was performed by workers on a repetitive basis. Responsibility for the design, planning, organising and control of the process of production was to be divorced from the labour engaged in the production process, and where possible the machine - the technology - was to control the pace of production; as labour became more and more proficient, the speed of the machine could be increased and the rate of production enhanced.

Under a system such as this, the training requirements are virtually nil, since jobs are broken down and simplified into a number of small tasks which can be performed repetitively by unskilled labour: 'workers do not need to be given expensive and time-consuming training. Those who leave or who prove to be unreliable can be replaced quickly. Management is not dependent on potentially scarce skills and knowledge to guarantee the continuity of production' (Buchanan, 1994:37). The second phase in work organisation, broadly from 1950 to 1980, saw the development of the 'quality of working life' (QWL) movement, which advanced a range of techniques as antidotes to scientific management. Fordist systems tended to result in bored and alienated labour forces which posed both motivational and control problems, and this led to a number of experiments in job design that were driven by alternative views of motivation, and which were concerned to ally employee satisfaction with productive efficiency, competitiveness and profitability. As management in

Western industrialised countries became increasingly aware of the 'hidden' costs of monotonous work and dissatisfied workers, researchers at the Tavistock Institute of Human Relations in London argued that Taylor had gone too far with the fragmentation of work and that productivity could be improved by enlarging jobs (Trist *et al.*, 1963). 'Job enlargement' involves the recombination of tasks separated by scientific management techniques. Subsequent developments in work design techniques beyond job enlargement and job rotation were influenced by the 'humanistic' psychology of Maslow (1943) and Herzberg (1966, 1968), both of whom emphasised that human beings have innate needs, organised in a loose hierarchy.

Translating Maslow's expression of human needs into work design principles, the Tavistock consultants were responsible for the concept of the 'composite autonomous work group' or 'self-managing multi-skilled team', and confirmed the social and economic advantages of self-managing work groups with 'responsible autonomy'. In the case of autonomous (or semi-autonomous) teams, the principles of both enlargement and enrichment are extended and applied at a group level, and a group of employees become collectively responsible for a wider range of tasks - for example, a complete car rather than just a part - and also for the kind of roles that were previously performed by supervisors, such as the scheduling of the work and the pace at which the work is performed. Sweden is usually acknowledged as the country in which modern attempts at the design of effective autonomous teams originated, and companies such as Saab and Volvo are perceived to have been at the forefront of these developments.

A third broad phase in work organisation is discernible from 1980 onwards, since when a variety of methods has been used to extend the concept of the autonomous group, primarily to address competitive pressures by increasing organisational flexibility and responsiveness. The talk now is of 'high performance work systems' which utilise team-based approaches to work and organisational design in so-called 'new design plants'. While the goals underpinning the QWL movement in the 1960s and 1970s concerned the costs of labour turnover and absenteeism, and other costs arising from boredom and apathy, the objectives of work design in the late 1980s and the 1990s concern the need for quality, flexibility and responsiveness in meeting customer requirements in an increasingly competitive climate. Whitfield and Poole sum up the change as follows:

The key element in this change is seen to be the emergence of holistic systems of work practices which are introduced strategically as a package rather than in a piecemeal manner... Recent years have witnessed an intensified interest by management throughout the industrialised world in the question of organising employment to enhance organisational performance... The main aim of employers in introducing such innovations has been to attain/retain competitive advantage in increasingly complex product markets. (1997:745)

The term 'flexible specialisation' (Piore and Sabel, 1984) is commonly used to refer to a particular model of production that includes the following elements: functional flexibility; higher levels of responsibility and autonomy on the part of the workforce; a degree of overlap between skills and specialisms; and a degree of judgement and skill on the part of labour. By the early 1980s these developments, allied to changes in the political and regulatory environments, had encouraged a new approach to the organisation of work and the demand for labour. This was summed up in the model of the 'flexible firm', devised by Atkinson (1984), which distinguishes between the 'external' and 'internal' labour markets, 'core' and 'peripheral' workers, and the various dimensions of flexibility ('functional', 'numerical' and 'temporal').

The requirements that these so-called 'post-Fordist' production systems make of the labour resource can be seen in many of the 'softer' HRM models which refer to the desirability of quality, flexibility, commitment and cost-effectiveness (Beer et al., 1984; Guest, 1987; Singh, 1992). As regards the implications for training, the demand for large quantities of relatively unskilled labour - characteristic of Fordist systems - has been replaced by a demand for labour that is 'multi-skilled' and flexible, that does not need external supervision, and that is both familiar and comfortable with the new technologies. As Whitfield and Poole (1997) report, more innovative work systems typically involve the linking of formal training programmes to employee involvement in decision-making, some form of contingent pay, careful attention to job design and selection procedures, and extensive quality control (Appelbaum and Batt, 1994; Osterman, 1994; Dyer and Reeves, 1995). As we will see later in this chapter, the view that these new forms of work organisation are not only economically efficient but also have the potential to encourage greater employee involvement and enhanced employee satisfaction is one that underlies the assertions and exhortations made in the European Commission Green Paper on *Partnership for a New Organisation of Work* (1997).

During this 'third phase' in the development of work organisation, many organisations have sought to copy others who appear to have been more successful in confronting the challenges of the global economy and changing product markets. In the UK this has often involved studying the methods of Japanese organisations, in which the emphasis upon quality and employee involvement and commitment have commonly been seen as sources of competitive advantage. As a result, we have seen organisations experimenting with a wide range of methods such as quality circles, cellular manufacturing, teamworking, *kaizen* or continuous improvement processes, and JIT production systems. The popularity of initiatives such as quality circles has waned in recent years, perhaps in part because organisations have introduced more comprehensive approaches, such as TQM. The next section considers case study evidence on the nature of workplace training across a range of TQM organisations.

Total quality management and training

Evidence suggests that throughout the 1980s increasing numbers of companies were attempting to integrate training strategies with business objectives and to assess the effectiveness of their training investment on a more systematic basis (Rainbird, 1994). One of the major ways in which business strategies and training were integrated was through the development of total quality management techniques and customer care initiatives (Incomes Data Services, 1990) as a means of facilitating organisational and culture changes.

Despite these trends having continued apace throughout the 1990s, the literature on continuing training at the workplace level is fairly limited because very little information has been collected on company training on a systematic basis. Case study evidence can therefore make a useful contribution. The author has recently been involved in two studies (Rees, 1996, 1998) of quality management initiatives, covering a total of ten organisations. In the first of these (Rees, 1996) four organisations were studied: 'Auto Components', 'Office Tech', 'New Bank' and 'Hotel Co'. In a second, related study (Collinson *et al.*, 1998; Edwards, Collinson and Rees, 1998) a further six named organisations were studied: Severn Trent Water, Halifax Building Society, Lewisham Borough Council, South Warwickshire NHS Trust, British Steel (Shotton works) and Philips Domestic Appliances (Hastings plant).

In the first study (1996), the evidence clearly showed that where management gave serious attention to training as a key element of the process of introducing and sustaining TQM, this was reflected in widespread employee commitment. However, despite this headline finding, an emphasis on training is not a sufficient prerequisite for employee commitment.

This latter point is best illustrated by the case of Auto Components, where relatively high levels of employee support for TQM appeared to have little to do with training. Despite their clear recognition of the amount of both on- and off-the-job training having increased markedly since TQM was first introduced, only 8 per cent chose to describe the training they received as 'more than adequate', with over half describing it as either 'barely adequate' or 'not at all adequate'. The main criticism was that production requirements too often meant that training got sidelined. This is reflected strongly in many of the comments made on the questionnaire returns, such as:

Getting parts out the door is seen as more important than training, and this gets in the way of commitment to training.

It's all production here, and they don't want you to switch the machines off and take time out for training, which is a false economy in the end.

Management tell customers what great training there is all the time, when really we're doing it all off our own backs.

The TQM programme at Auto Components has involved the company in making a heavy investment in training for those in the 'new shop'. Employees are sent on team-building exercises and on specialist manufacturing technology courses. And at the end of a two-year training period, each multi-skilled worker takes a 'skills test', a practical on-the-job assessment, and has a final interview with the Production Manager and the Personnel Manager. This is part of the move towards more formal assessment of employees' competencies, and after successful completion of the training each employee is issued with a 'multi-skill certificate'. Despite the stress which management at Auto Components put on training as a key element of TQM, employees can see the reality of lack of management commitment to it. In saying that there will be an emphasis on training, management may have raised the expectations of those in the new factory, and if those expectations are not met, resentment may set in.

As noted, employee commitment to TQM is generally strong at this company. This suggests, first, that training is an important but not a determining influence upon employee commitment, and, second, that the factors influencing employee acceptance of TQM work in combination, so that in this case employee dissatisfaction with training is not sufficient to detract from the generally positive attitudes towards other aspects of management strategy.

Managers at Office Tech have far more limited espoused training ideals. Training is restricted to basic on-the-job issues and reflects the need to maintain consistency in product quality. It is notable that employees appear to be far more satisfied; one-third described the training as 'more than adequate' (and the other two-thirds as 'adequate but nothing more'). This is not to say that Office Tech employees were not critical (many questioned the competence and commitment of the trainers themselves), but in general they know what the training is for, they see it being delivered as described, and they consequently have less cause for complaint. The training programme may be less ambitious than at Auto Components, but at least it would appear to meet its more limited objectives.

Training at New Bank aims to equip employees with the skills considered necessary to improve customer service and find sales opportunities. Branches have regular training days, and longer courses are held at a national training centre. Much emphasis is placed on examining ways of finding sales opportunities, and employees also receive regular training on new technology. A significant proportion of employees was critical of the training for being too idealistic and a 'management fad', and many actually reported that their 'real' training had decreased. Some said that training was 'not frequent enough' or was 'too basic and idealistic', as reflected in the following comments:

A certain idealism pervades outside training courses, which does not reflect the actuality of branch life.

Training appears to be given to support statistics rather than need, i.e. [so management can say that] x amount of staff will have seen this video, or x amount of training has been done within a given period.

Unfortunately, monitoring of the benefits of training is non-existent, and staff have little time to practise what they have learned due to every-day working pressures.

Training appears to be most clearly connected to TQM at Hotel Co. There is a lengthy induction programme for all new staff, and the scope and limits of 'empowerment' are spelled out clearly to each employee in a practical way; in the words of an Assistant General Manager, it is 'drummed into them that this is something we are committed to'. Following this, regular training days are held in all hotels. It would appear that Hotel Co delivers **on** its training promises far more than Auto Components, and the attitudes of employees towards training are the most positive from across the four companies. In **general**, then, Hotel Co employees have a high opinion of the training they receive, and appear to appreciate the more targeted format that it takes. Across the four companies, most employees perceived the main reason for training to be adding further skills to their basic job. But at Hotel Co, 'developing team spirit' was seen as a key reason for training and, perhaps more significantly, virtually all employees at Hotel Co selected 'achieving higher quality standards' as one of the reasons for the training.

The clear inference from this data is that employees prefer straightforward targeted training (as at Hotel Co and, to a lesser extent, Office Tech), rather than training which is either felt to be too idealistic and have little or no relevance to the reality of everyday work (as at New Bank), or sidelined when production needs take over (as at Auto Components). Where management pays insufficient attention to training, it is likely to play little part in contributing to feelings of commitment. But where there is greater attention given to relating training to specific TQM issues, and where these promises are followed through in practice, then employee commitment may as a result be significantly enhanced.

This emphasis on the 'context-dependent' nature of employee commitment also comes through from the second study, which found a strong tendency for employees most favourable to quality programmes to be those who said that they had been trained specifically in quality ideas or in teamwork principles. By contrast, other forms of training, and the total amount of training, had no effect.

Reported amounts of training were substantial across all six organisations. Eighty-five per cent of respondents reported some training, and 65 per cent put the level at one week or more per annum. Given that a number of the six

organisations (notably British Steel) are seen as 'training organisations', this is perhaps not surprising. However, the study sought to discover whether this training covered merely basic skills or whether it involved something new, be it use of new methods or equipment or specifically quality-related activities. Basic training was, not surprisingly, mentioned most often but the use of new equipment ran it a close second. About half of the respondents, and as many as two-thirds at Halifax and British Steel, felt that teamworking or quality was a component of their training. However, only around a quarter specified this as the main purpose. As the study's Report notes: 'This is potentially a point of some importance. Given the weight given to quality in all six organisations, it is notable that approaching half the respondents did not feel that they had received any specific training in quality initiatives, and few thought that this was the main purpose' (Collinson *et al.*, 1998:52).

Of those who felt that training was no 'more than adequate or worse (65 per cent of the sample), an open-ended question sought out the reasons for this. Comments included the poor quality of the training itself and a lack of resourcing, that training was of a reasonable quality but insufficient time was given to it, that it was unspecific or irrelevant to their work needs, that it was divorced from day-to-day duties, and that pressure of work prevented training being used in practice. The overall evaluation of training was reasonably good, but there were a number of substantial areas of concern. The number of respondents making criticisms of training was just over half the total number in the survey, and there were plainly some important reservations as to what training was achieving.

Of particular interest are the connections between training and attitudes to quality. The study focused on whether or not teamworking or improved quality standards were felt to be among the purposes of training (as distinct from being its main purpose). Overall 55 per cent of non-managerial employees cited one of these purposes (the proportion ranged from 40 per cent in Philips to 69 per cent in British Steel). When the links between this measure and attitudes to quality were examined, some clear associations emerged. For example, there was a very strong link with Iperceived influence over quality; of those specifying this form of training, 71 per cent said that they had a significant influence over quality, as against 50 per cent lacking this training. Moreover, the researchers also created variables indexing the presence of training in basic skills and in the use of new technology and equipment. Neither of these measures had a significant relationship with attitudes to quality, suggesting that it is specifically training in teamworking and quality initiatives which is crucial. To quote from the Report once more, 'it was not the case that those receiving training in quality were concentrated in certain organisations in which attitudes to quality were particularly favourable. . . . In short, forms of training were linked to attitudes to quality' (Collinson *et al.*, 1998:53). So, the inference from this data is that training has a key role in sustaining employee commitment to new forms of work organisation. This means not training in

general, for we have seen that the overall amount of training seemed unrelated to views on quality, but specific targeting at quality or at teamworking. In the organisations reported here, it was experience of this kind of targeted training that was important in generating favourable employee attitudes towards quality. The chapter now moves on to put these case study findings in context by considering some of the wider debates concerning the link between training and work organisation.

The European work organisation agenda

Until recently the EU has had relatively little involvement in work organisation issues, but this is now changing as various internal interests press the argument that enhanced flexibility and new forms of work organisation are integral to the achievement of enhanced competitiveness and employment. Recent documents and agreements have emphasised the importance of flexibility to the pursuit of high employment, such as the European Commission report on *Employment in Europe in 1996* (1996) and the *Treaty on Employment* agreed at the Amsterdam Inter-Governmental Conference in 1997. Further impetus has been given to the debate by the publication by the European Commission of a Green (Consultative) Paper, entitled *Partnership for a New Organisation of Work* (1997). This defines work organisation as:

the way in which the production of goods and services is organised at the workplace. The focus is on a new organisation of work. . . This concept implies, in particular, the replacement of hierarchical and rigid structures by more innovative and flexible structures based on high skill, high trust and increased involvement of employees. (European Commission, 1997:l).

The introduction to this consultative document makes clear the three central aims which the authors of the Green Paper believe are achievable simultaneously:

While much has been written about the need for flexibility of the labour market and its regulation, much less has been said about the need for flexibility and security in the organisation of work at the workplace. . . An improved organisation of work . . . can make a valuable contribution . . . to the competitiveness of European firms . . . the improvement of the quality of working life and the employability of the workforce'. (European Commission, 1997:l)

The challenge is no less than the development of a 'new paradigm' that can contribute to enhanced competitiveness, safeguard employment and at the same time improve 'quality of working life'. This emphasis reflects much of

the practice of work design, which assumes that it is possible to 'discover the elusive common ground for the simultaneous satisfaction of human and organisational goals through the judicious manipulation of job characteristics' (Buchanan, 1994:86).

Given the context-dependent nature of the effects of changes in work organisation, these objectives will clearly not be realised through the top-down application of normative models and consultancy-style 'blueprints for change'. What is needed is case study-based evidence, such as that presented in the previous section, which highlights the conditions for the success or failure of particular organisational initiatives, combined with an awareness of the contingent nature of such developments. 'There remains no 'one best way' and no easy route to any 'new paradigm'. As such, if new forms of work organisation are to be promoted on a Europe-wide basis, what is required is 'horizontal co-operation, based on departing from existing differences in approaches to work organisation.. . In this way the issue of work organisation can be given a European profile based on differences, as distinct from the Japanese or North American profiles that are based on cultural non-difference' (Ennals and Gustavsen, 1998:160). There are a number of factors which need to be addressed in combination if this 'new agenda' for work organisation is to bear fruit, not the least of which is the need to strike a balance between flexibility and security. A number of organisations have begun to recognise this, and a key feature of recent agreements has been an explicit trade-off between internal flexibility on the part of employees in return for a measure of employment security (Scarborough and Terry, 1996; Industrial Relations Review and Report 1997). This section of the chapter stresses two of the other key factors, before the next section takes up some of the difficulties with the analysis and prescriptions contained in the 'new agenda' approach.

The importance of training

Evidently, changes to production technologies and working practices will have education and training implications. There is an emerging consensus that changes in production processes and in the nature of product markets require a more highly trained workforce, and continuing training is increasingly recognised as contributing to productivity and to the management of change through the adaptation and extension of skills on the one hand, and in facilitating new patterns of work on the other (Rainbird, 1994). Dunlop (1992) has argued that effective training policies are fundamental to economic growth and productivity, and in a major survey of Western European nations (Hilb, 1992), 'human resource development' was found to be the most important personnel function in all the countries concerned. The more recent EPOC study (European Foundation, 1997) also stressed the importance of training, finding that the

higher the qualification of employees and the more substantial the training for direct participation, the greater were the effects of direct participation.

The case study evidence presented in this chapter highlights above all the need for the provision of focused training. As reported in the previous section, there was a strong tendency for employees most favourably disposed to quality programmes to be those who said that they had been trained specifically in quality ideas and teamwork; by contrast, other forms of training, and the total amount of training, had little or no effect. It is also generally recognised that training provision is at the heart of the development of so-called 'high-performance work systems'. Once again, the key issue is not so much the quantity of training but its orientation. Such systems require workers not only with highly-developed core skills, but also technical skills which cut across traditional functional areas, as well as the ability to change their skill-base frequently during their working lives. All this will evidently require a more flexible training system than has been experienced to date.

The importance of partnership

The authors of the Green Paper are keen to emphasise the importance of 'partnership' between employees and employer to the high-skill, high-trust and adaptive workforce which, they argue, is necessary to facilitate and take full advantage of the new forms of work organisation that are considered to be the key to the achievement of competitiveness in the new global marketplace. The authors talk of inviting 'the social partners and public authorities to seek to build a partnership for the development of a new framework for the modernisation of work. Such a partnership could make a significant contribution to achieving the objective of a productive, learning and participative organisation of work' (European Commission, 1997:ii).

The previously mentioned need to balance flexibility and security certainly requires high trust relations at the workplace level. Partnership at the workplace level requires a recognition by management of employees as key stakeholders, in return for their contribution to quality, and a move away from adversarial industrial relations. In the UK, the need to develop a new culture of partnership is also seen by the Trades Union Congress (TUC) as an essential element of the so-called 'new unionism' (TUC, 1996). It requires a constructive dialogue about good practice in order to balance increased productivity and growth on the one hand, with QWL requirements and increased employment on the other.

There is a growing body of evidence to support this emphasis on the importance of partnership, grounded in employee representation, in bringing about

the modernisation of work organisation. This evidence suggests that 'direct' and 'indirect' employee participation mechanisms are mutually reinforcing as opposed to conflictual (European Foundation, 1997; Sako, 1998). For instance, the EPOC study shows that the greater the involvement of employee representatives in the introduction of direct participation, the greater the reported effects on a range of key indicators of business and labour market performance. Furthermore, in the study by Collinson et al. (1998) reported earlier, all six organisations were unionised. Two were characterised by a strong management-union relationship, two by the marginalisation of unions, and two by a more anti-union stance. The researchers found that the success of TQM declined across these three categories. This and other evidence (Scott, 1994; Glover and Fitzgerald-Moore, 1998; Wright and Edwards, 1998) suggests that the existence of strong cooperative relationships with relevant trade unions can ease the acceptance of changes in work organisation, while the absence of a good working relationship between the management and the union makes it harder to win the trust of individual employees. And as Warhurst and Thompson (1998:21) argue, if reforming governments need examples of how to reward innovation and partnership in the workplace, these are available from Sweden (the Swedish Work Environment Fund) or Australia (the Australian Productivity Commission), both of which have encouraged collaboration on workplace innovation between employers, unions and researchers. Evidence from the USA (Bluestone and Bluestone, 1992; Levine, 1995) also demonstrates the success of stakeholding firms, with strong unions and a 'mutual gains' agenda, and with a vested interest in ensuring competitiveness through investment in skills and equipment. As Keep and Rainbird point out, trade union involvement in the introduction of new forms of work organisation is also likely to stimulate 'employability':

Since union members' interests are best served through the development of skills which have wide recognition in the labour market, as opposed to the task- and firm-specific requirements of employers, the incorporation of unions is conducive to driving the training system towards meeting long-term skill requirements rather than employers' immediate needs. **(1995:516)**

Of course, the effect of unions is likely to be complex. While some have supported new work organisation innovations, others have been hostile to them, often perceiving them as posing a threat to collective representation (Guest, 1995; Ackers, Smith and Smith, 1996). If partnership is the way forward, ways must be found of reconciling 'representation' with the process of management, and of finding 'institutions that bring representation and participation together in a reciprocal relationship . . . [This] requires new social structures at the workplace level . . . [and] a need to cultivate these emerging trends as a tool for change' (Garibaldo, 1997:8).

Problems with the 'New Agenda' approach

The previous section outlined briefly some of the latest thinking on work organisation, as well as some of the necessary requirements for these ideas to succeed. The chapter now turns to consider some of the difficulties with these arguments.

In the broadest sense, the main weakness of the arguments in the Green Paper stems from the uncritical acceptance of the 'transformation thesis' of work organisation. While there are undoubtedly fundamental changes occurring in industrial society which are leading to a questioning of traditional forms of work organisation, as outlined at the beginning of the chapter, it does not necessarily follow that there has been a genuine, sustained and irreversible shift in management thinking. It is too easy to optimistically assume that new forms of work organisation allow for a positive-sum game in which workers benefit from enhanced autonomy and discretion while employers gain higher productivity. Many who witness changes in work organisation have also assumed that they signal a decisive break with the principles of Taylorism and Fordism, as reflected in the concepts of 'post-Fordism' and 'flexible specialisation' (Piore and Sabel, 1984), 'new production concepts' (Kern and Schuman, 1984), 'neo-Fordism' (Boyer, 1988) and 'lean production' (Womack, Jones and Roos, 1990), as well as the more popular management notions of 'excellent' companies (Peters, 1987) and the 'post-modern factory' (Drucker, 1990). While this plethora of new labels suggests genuine concern and change, there is a need for caution here. As Hyman notes, 'there is little warrant for the argument that Fordism or Taylorism was ever a general and hegemonic basis for the organisation of work; or that a decisive, global transformation has occurred, or is occurring' (1997:352).

To begin with, the evidence shows that many of the initiatives upon which the 'transformation thesis' is based are not nearly as common or extensive as its proponents would have us believe. For instance, the EPOC study (European Foundation, 1997) shows that new forms of work organisation are very much a minority movement. Starkly, the proportion of workplaces with semi-autonomous group work approximating to the 'Scandinavian' model (that is, extensive delegation plus high qualification plus high training intensity) was less than 2 per cent. Moreover, only about one in ten workplaces might be said to have been 'skills-oriented' inasmuch as the level of qualification required was high or very high and there was fairly intensive training of managers and workers for direct participation.

Furthermore, even where change is taking place we need to remember that new approaches to work organisation frequently combine elements of more established practices. As Warhurst and Thompson put it, 'continuity is as pervasive as change, if for no other reason than because new ideas and practices are by definition built on the legacy of the old' (1998:19). This is evident in the

case of banks, who are introducing business centres with a customer care focus, new technology and new skills at the same time as back office jobs are shifted to 'call centres' and 'office factories' under Taylorist forms of organisation. It is also evident in recent analyses of Japanese car assembly methods such as 'Toyotism', which reveal many similarities with traditional Taylorism (see Delbridge, 1998). We thus need to remember in all the talk of 'new paradigms' and 'win-win situations' that Taylorism, with its associated adverse effects on labour as summarised earlier in the chapter, is far from dead and buried. Indeed, 'Taylor's ideas have become a central feature of the taken-for-granted organisational recipe that many managers still apply to the design and redesign of work without serious question or challenge (Buchanan, 1994:88). We should also bear in mind that changes in work organisation are invariably motivated by the desire to compete more effectively, and the driving force behind change is likely to be profit. This too has not changed. Management interest in work organisation remains primarily a financial interest, and 'flexibility' is more often than not perceived by managements almost exclusively in terms of reducing labour costs.

What these points indicate is that the more progressive or 'enlightened' approach that the Green Paper exhorts organisations to adopt is only one among a series of options. This point is well made by Regini (1995), who found a wide range of competitive and production strategies being adopted by managements in Europe, by no means all of which were consistent with notions of 'post-Fordism' or 'flexible specialisation'. Five ideal types of strategy were identified: 'diversified quality production', 'flexible mass production', 'flexible specialisation', 'neo-Fordist' and 'traditional small firm'. The key implication for training requirements is that each of these strategies embodies a different pattern of human resource utilisation in terms of types, levels and mixes of skill, and only some require labour that is functionally flexible. Work organisation thus has different trajectories:

Each of these trajectories . . . starts from the same point - the questioning of traditional forms of work organisation in the light of intensifying competition. In each case, however, the outcome is very different reflecting specific products and services, market position, cost pressures, technology, and management frames of reference. . . The great mistake is to assume that the new forms of work organisation supposedly emerging are inevitable and universal in their application. (IRRU, 1997:7-6)

Not only are there weaknesses in the analysis which informs the arguments in the Green Paper, but there is also a tendency to underestimate the problems that organisations have in introducing the kinds of work (organisation practices now assumed to be in the ascendancy. It is now well established that innovative employment practices work best if introduced in internally consistent 'bundles' rather than on an individual basis, the logic being that such practices have combined effects which are greater than the sum of their individual

effects (Dyer and Reeves, 1995; MacDuffie, 1995). However, there is a strong temptation for managements to prefer an *ad hoc* or incremental path to change rather than bundles, since thoroughgoing change is considered expensive and the benefits unknown. In doing so 'organisations come up against the problem of "complementarities" or integration.. . Inevitably, the danger of the incremental approach is that individual practices are tried and rejected because they appear to be unsuccessful in themselves' (IRRU, 1997:9).

Linked to this, even if it can be proved that new forms of work organisation lead to significantly superior outcomes than more traditional methods, they might still be perceived by managements as less cost-effective. They typically involve high costs during their set-up periods, and thus need to yield higher returns to justify their existence. The evidence in any case suggests that the link between new forms of work organisation and organisational performance is both complex and variable, and that the context in which they are situated is a crucial determinant of their success.

It may also be the case that positive associations between new forms of work organisation and organisational performance reflect the fact that more successful firms use their competitive success to develop more innovative human resource policies, irrespective of their effects on future performance. A similar point is made by Shackleton *et al.* (1995), who suggest that a degree of reverse causality may be at work. In other words, high value-adding firms may have additional resources which they choose to devote to training and education, regardless of whether or not this produces increased productivity or financial performance. As Morris points out, "investment in training and education may be necessary in specific circumstances to promote economic growth, but it is rarely sufficient and frequently follows on from, rather than leads to, the creation of high value adding jobs' (1999).

In the UK, many of these problems are exacerbated by the voluntarist system of training provision, which has the effect of discouraging human capital investment as an organisational strategy by enabling firms to externalise adjustment costs. The continuing training of employees is generally perceived as the responsibility of the employer on the one hand, and the individual employee on the other. However, individual employers, acting on a rational basis, will not invest in training since they find it cheaper to recruit skilled labour from other employers, and there is considerable evidence to demonstrate that existing patterns of labour market segmentation are consequently reinforced:

Those employed in small firms, part-time workers, the less well-educated and qualified, the self-employed, older workers, and manual workers are all less likely to receive training. Because certain groups of people are more frequently concentrated in certain types of employment - for example, women in part-time employment - disadvantage in access to training disproportionately affects some sections of the

working population.. A market-driven training system reinforces existing patterns of discrimination in access to training. (Keep and Rainbird, 1995:531)

The restructuring of work may thus generate losers as well as winners, and there is likely to be growing polarisation in the workforce. While members of the 'core' group may well benefit from some security of employment and demand for the skills that they possess, and the organisation might thus be prepared to invest in their training and development, working outside the core may be characterised by uncertainty and high levels of anxiety and stress. There tend to be unequal outcomes in other respects, too. The distribution of 'lifelong learning' is unbalanced, with those who are already well-educated participating to a much wider extent. Individuals with education of a university standard are two to three times as likely to participate in job-related training as those who have not completed upper secondary education. Older workers, too, tend to be disadvantaged. And it goes almost without saying that the unemployed and those outside the labour market and education system generally have little opportunity of participating in job-relevant learning (McKenzie and Wurzburg, 1997/8).

The policy challenges

The chapter has suggested some of the promise of new forms of work organisation, as well as highlighting some of the pitfalls. In the light of this analysis, what kinds of policy changes are required if the promise is to be realised and the pitfalls avoided?

The first set of issues relates to the spread and dissemination of innovations in work organisation. The UK remains one of the few countries in Northern Europe to lack a coherent national policy framework and institutional structure for the promotion of these issues. There is a need to resource change in individual companies, but dissemination of new forms of work organisation and the skills required to make them succeed are lagging behind the pressures for change generated by global competition. The Directorate General V-initiated 'European Work and Technology Consortium', whose report *Work Organisation, Competitiveness and Employment: The European Approach* was launched as the background paper to the UK Presidency Conference on Work Organisation in April 1998, points out that 'business support organisations, consultants, trainers, employers' associations and trade unions lack detailed knowledge of the nature and potential of new forms of work organisation' (Totterdill, 1998:4). Under intense competitive pressure from global markets, many UK companies may well be seeking to move towards a focus on increased teamworking, multi-skilling and employee involvement. However,

as the Green Paper accepts, firms have often found it difficult to access appropriate knowledge, experience, skills and learning materials to resource this process of change.

A second set of issues relates to the evidence pointing to there being losers as well as winners as a result of the introduction of new forms of work organisation. There consequently needs to be an active role for policy-makers not just in terms of encouraging organisations to modernise, but also in terms of maintaining and developing a safety net of minimum standards available to individual workers who may be unlikely to benefit from the changes. One wide-ranging analysis of the Green Paper (IRRU, 1997) summarises a number of the changes considered necessary in this respect. These include: a set of universal individual employment rights (to continuing education and training, information and consultation, participation in the planning of work, and representation at work); the enshrining of these rights in higher level agreements and/or legislation to give the clearest indications of the direction in which organisations are expected to go; and an active labour market policy to help deal with the potential mismatch between the education of the workforce and the type of jobs available.

The consequences of the weak system of institutional regulation of training in the UK were documented in the previous section. More highly regulated training systems are found in other European countries, which ensure higher levels of investment in training. However, the examples of France and Germany demonstrate that, even in more regulated training systems, access to continuing training is restricted and tends to favour those employees who already have the highest levels of qualification (Rainbird, 1994). Shackleton *et al.* (1995) also demonstrate that there are significant variations across the five wealthiest G7 countries - the USA, UK, Germany, France and Japan - in the amount of education and training received by men and women, young and older workers and the employees of large and small organisations. It has become fashionable in policy-making circles to argue that the main route to organisational and national economic advantage is through increased investment in education and training (see Reich, 1991), but recent comparative evidence (Ashton and Green, 1996; Crouch, Finegold and Sako, 1999) suggests that at present there is far too little comparable data available for robust conclusions to be drawn about the incidence and effects of training in different countries.

Despite difficulties with cross-national comparisons, the voluntarist system in the UK remains particularly problematic. Faced with the 'externality' problem - that is, that it is not rational for organisations to invest in education and training from which they are not going to reap the benefits - the onus therefore falls on the individual to take responsibility for his or her career or, rather, to ensure that he or she is 'employable'. The Department for Education and Employment (DfEE) issued a Green Paper on lifelong learning which argues that greater responsibility for self-management, self-learning, more customer

interface and greater clarity in staff roles and accountability are becoming prerequisites for competitive success, redefining the skills required from managers, supervisors and shopfloor workers (DfEE, 1998). But this emphasis on self-learning is also fraught with difficulties, not least for the simple reason that 'the ability of the individual to influence their future organisation's use of skills is virtually non-existent' (IRRU, 1997:13). Policy suggestions have been advanced to tackle this problem. For instance, the expenses of lifelong learning could be treated like a business cost for individuals, deductible from their taxable earned income (as is already the case for enterprises). This approach would strengthen the incentive for individuals to take on more of the costs themselves. Another way of strengthening the incentives for employers would be to persuade enterprises to treat training as an investment. Although there are formidable barriers to measuring and valuing skills acquired in training and reporting them in company balance sheets, it may be feasible for companies to disclose information on the impact of training on company performance. This would allow investors in capital markets to identify more readily those companies who improve their performance through training, and thereby reduce their cost of capital. As McKenzie and Wurzburg (1997/8) note, there is strong support for investigating the feasibility of developing guidelines on the disclosure of such information - analogous to financial accounting standards - that would ensure that it is transparent and comparable (see OECD, 1997). Spreading the practice of lifelong learning clearly depends on finding ways of assessing and recognising the learning that occurs outside formal educational institutions.

Conclusion

The implications of new forms of work organisation for workplace training are clearly substantial. Changes in work organisation require workers to be more flexible, and hence training needs to go beyond a narrow focus on a specific job in a specific work-setting. Skills learned also need to cut across a number of conventional boundaries, putting a premium on multi-skilling. Moreover, training has the biggest impact on enterprise performance when it is undertaken in connection with systematic, as opposed to isolated, changes in work organisation. Training, when linked to systematic technological innovation and organisational change, is consistently associated with increases in productivity of the order of 10-20 per cent (McKenzie and Wurzburg, 1997-8; Whitfield and Poole, 1997). This chapter has explored some of the issues surrounding the relationship between work organisation and training, and has considered some of the policy options available for the realisation of these benefits.

The need for organisational change is recognised more and more, and there is now a European policy significance to new forms of work organisation. Models for shaping company structures and organisational competencies have come to be recognised as one of the determining factors in the future competitiveness of European organisations. At the heart of these debates is the possibility of a convergence between competitiveness, employment and 'quality of working life'.

We have seen here that the achievement of these aims is far from straightforward. If there is an emerging European 'paradigm' that can meet these three criteria, its supporters need to remain cognisant of the highly contingent and complex nature of successful work organisation innovations. Among a range of policy issues, perhaps the most critical in the UK is the need to develop institutional structures which mitigate the 'poaching' or 'free rider' problem caused by the reluctance of firms to finance the acquisition of general skills due to the fear that non-training firms will recruit those trained at the end of the training period. Also important is the need to ensure that training provision is targeted around specific work organisation issues, and to promote 'social dialogue' and 'partnership' at the local level as the means to implement change.

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