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John Bank

Trade Union, Managerial and Employee
Perceptions of Organisational Participation
and Democracy at Work

Supervisor: Dr. Clare Kelliher

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Trade Union, Managerial and Employee Perceptions of Organisational Participation and Democracy at Work

Abstract

This synoptic paper accompanies refereed articles, chapters in books and books published between 1977 and 2001 by the author on the theme of trade union, managerial, and employee perceptions of organisational participation and democracy at work and is submitted for a PhD by Publication. It shows how these eleven publications represent a “substantial, continuous and coherent body of work” on the theme and demonstrates how they, both individually and collectively, have made an original contribution to knowledge in this specific field.

The author distinguishes between direct participation and indirect or representative forms of organisational participation and claims to have made a contribution to both. During the period spanned by these twelve publications, perceptions of trade unions, management and employees about organisational participation and democracy at work have undergone great changes. In the 1970s, trade union perceptions of organisational participation and democracy at work led the TUC among others to campaign for worker directors as a form of industrial democracy to influence boardroom decisions outside the scope of collective bargaining. The Labour government of the day supported the TUC initiative with the Committee of Inquiry on Industrial Democracy chaired by Lord Bullock. The author contributed to the national debate on worker directors with the publication of his book on the British Steel Worker Directors. He also researched direct forms of employee participation such as job enrichment, job enlargement, and autonomous working groups internationally, arguing for their incorporation in industry.

When the Conservative Party came to power, the worker director avenue to indirect employee participation at boardroom level was effectively blocked. The author then turned his research attention to management-led forms of direct employee participation, namely Quality Circles and Total Quality Management with their forms of employee empowerment. His publications also foster participation for leavers and survivors in corporate downsizing.

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Declarations

PhD by Publication (under Regulation 39.6)

1. None of the publications contained in this submission for the award of PhD under Regulation 39.6 has been presented for any other academic or professional distinction.
2. Eleven publications, produced between 1977 and 2000, are contained in this submission. Three of these publications were written jointly with other authors. In all three of these my contribution was as lead or equal co-author at all stages from the original identification of research objectives, the development and application of research methodologies, through to the empirical analysis, interpretation and writing up the results. Three of the publications are journal articles published in refereed journals, five of the publications are chapters in books and three are research books.

List of Publications submitted

Bank, J. & Jones, K. (1977). *Worker directors speak: The British Steel Corporation employee directors*. Westmead, Farnborough: Gower, 114 pages.

Bank, J. (1982). Alienation, participation and the worker director. In A. Kakabadse, *People and Organisations*. Aldershot, Farnborough: Gower, pp. 54-77.

Bank, J. (1981). Lech Walesa: the Polish workers' revolt, *Employee Relations*. Vol. 3, No. 5, 1981, pp. 2-8.

Bank, J. & Wilpert, B. (1983). What's so special about Quality Circles? *Journal of General Management*, Vol. 9, No.1, Autumn, pp. 21-37.

Bank, J. (1984). Suspending quality circles: Alcan Plate. In M. Robson, *Quality Circles in Action*. Gower, pp. 136-150.

Bank, J. (1987). Teaching the Chinese about quality circles. In M. Warner (Ed.), *Management Reforms in China*: 99-110. Frances Pinter.

Bank, J. (1987). Suspending quality circles: Alcan Plate Limited. In S. Tyson & A. Kakabadse (Eds.) (1987), *Cases in Human Resource Management*: 233-239. London: William Heinemann.

Bank, J. (1987). Suspending quality circles: Alcan Plate Limited. In S. Tyson & A. Kakabadse (Eds.) (1987), *Cases in Human Resource Management: Teachers' Case Study Guide*, 230-240. London: William Heinemann.

Bank, J. (1991). *The essence of total quality management*. Prentice Hall, Pearson Education, 203 pages. (Part of the "Essence of Management" series.)

Bank, J. (2000). *The essence of total quality management*. 2nd ed. Prentice Hall, Pearson Education, 259 pages. (Stand-alone title.)

Doherty, N., Bank, J. & Vinnicombe, S. (1996). Managing survivors: The experience of survivors in BT and the British financial services. *The Journal of Managerial Psychology*. 11(7), 51-60.

Chapter 1. Introduction

Purpose of the Synoptic Paper

The purpose of this synoptic paper is to present publications being submitted and to demonstrate that they represent a “substantial, continuous and coherent body of work” on the theme of Trade Union, Managerial, and Employee Perceptions of Organisational Participation and Democracy at work. This synoptic paper will attempt to demonstrate how the eleven publications submitted, both individually and collectively, have made an original contribution to knowledge in the field of organisational participation and industrial democracy.

Following the introduction, I list the 11 publications, published over a period of 23 years from 1977 to 2000, and offer a brief description of their contribution to the field of organisational participation and democracy at work. The publications fall into three broad categories.

- 1) Industrial democracy publications
- 2) Quality publications – direct forms of participation
- 3) Publication about involving employees in downsizing decisions

- 1) Industrial democracy publications: The first three publications – a book, a refereed article and a chapter in a book – are about the expansion of industrial democracy through indirect (or representative) forms of employee participation, namely worker directors and collective bargaining. These publications focus on state-led and trade union-led forms of organisational participation. The subsequent nine publications are about management-led forms of participation, namely quality initiatives, specifically Quality Circles (QCs) and employee empowerment through Total Quality Management (TQM) improvement teams, and downsizing-related participation with leavers and survivors.
- 2) Quality publications: Five of the nine publications are about constituent elements of QCs and their implementation as a direct form of employee participation. These five publications include a “think piece” co-authored with Professor Bernard Wilpert, Head of the Psychology Department at the University of Berlin. They also include a book chapter that is a reflective piece on the pedagogy of QCs in China based on my experience teaching QCs to Chinese managers at the Commercial Cadre in Beijing. The subsequent three publications are case studies about an unsuccessful implementation of QCs in a UK subsidiary of a Canadian manufacturing company.

Two of my books on Total Quality Management follow. These are about management-initiated participation that involves everyone in the organisation delivering quality goods and services to internal and external customers.

- 3) Publication about involving employees in downsizing decisions: The final publication – a refereed journal article – focuses on participation programmes for both corporate survivors and leavers in downsizings, a strategy that has dominated many organisations in the West since the early 1990s.

It should be noted that much of this body of work was published in book form in the pre-RAE era, when published outputs in industrial relations were not so heavily geared to refereed journals. It was normal convention for substantial research findings to be published in book form and not necessarily in addition to articles in refereed journals.

Alan Fox provides a superb example of the industrial relations academic writing at the time. He created conceptual frameworks that students of industrial relations and practitioners have used for decades, along with other invaluable insights into the behaviour of people at work. Yet he published mostly in pamphlets and the occasional book rather than in high-impact journals and therefore would not have been included in an RAE. Still, Fox's contribution was enormous. "There isn't a student of industrial relations, or even human resource management, in the UK, who isn't familiar with the terms 'unitarism' and 'pluralism', nor a theorist of management styles who hasn't examined 'trust relations' between employers and workers. Fox's analysis of power and control using these concepts remains as fresh today as it did thirty years ago when he was publishing his most influential work." (Gold, 2005, p. 9).

After listing the publications with a short description of each one, the methods used in the research, and the publications' findings and contribution, I then briefly discuss the methods I used for each publication separately and say something about my methodology across the eleven publications.

I then discuss the historical context of the publications. The context is important because the focus of my research interests moved with events and the publications made their contributions to the changing environment of industrial relations as those events unfolded. In the mid-1970s my work was focused on worker directors and expanding industrial democracy through enabling legislation on participation from the Labour Government and from the Fifth Directive of the EEU. I was also interested in researching collective bargaining as the most common, universal form of indirect employee participation (Clegg, 1976) and how trade unions made transitions from being broadly-based social movements to being properly structured, functioning trade unions.

When powerful state interventions or political initiatives or the Trades Union Congress (TUC) failed to produce either worker directors or other radical forms of industrial democracy, a new momentum for participation was generated by managers, under global competitive pressures, who instigated Quality Circles (QCs), Total Quality Management (TQM) programmes on a vast scale, and involved their employees in participative efforts to facilitate downsizings. Accordingly my research interest followed these management-led, quality-focused and downsizing-related interventions. My personal journey has moved from trade-union-based worker directors and collective bargaining to

management-driven forms of participative decision-making over three decades. As Bennet & Bennet (2002) observed, “Employee involvement has now been accepted understood by world class organizations. These same organizations, working predominately in the fast-moving world of information and knowledge application, recognize the value of decisions made at the lowest qualified level and the pay-off from smart workers who know their jobs.”

Next I turn to the literature on organisational participation and industrial democracy itself. Presenting it in chronological order provides the theoretical background of participation and democracy during the timeframe when each of the eleven articles, book chapters and books was published. Here I define the concepts of organisational participation and industrial democracy as I use them in the synoptic paper. I explore a full range of definitions to show the richness of the concepts. I explore how major researchers agree and differ in defining the concepts surrounding participation and examine the various dimensions of participation from several perspectives offered in the literature. Whereas in a conventional doctoral thesis the literature review is undertaken first to map the territory and to find the gaps, in a synoptic paper setting out the case for a PhD by publication, the literature search is in some senses retrospective. The candidate’s publications have already attempted to fill certain research gaps that he or she perceived at an earlier time. Hence the thrust of the literature review is to assess retrospective fit and contribution. I position my work with the research of others that came before and after my publications.

The area of the relevant literature is vast, spanning as it does, over twenty years and encompassing several distinct forms of employee participation: 1) indirect forms of employee participation through representatives at the company level, (Lammers, 1967) such as collective bargaining, joint consultation, and worker directors; 2) direct forms of participation at the job level (Lammers, 1967) that are engaged in directly by employees through job enrichment, job enlargement, job rotation, working groups, autonomous work groups, Quality Circle problem-solving groups or Total Quality Management teams; and finally 3) employee involvement in managerial initiatives or strategies in downsizing that deal with both leavers and survivors. Where possible, I use the testimony of others as to the contribution of my publications. For the publications that are books or chapters in books, this is more difficult to do since these cannot be traced in the same way as citations of articles. But for the articles, I list the citations of those articles from a library web search.

The timeframe for the literature review is twenty-six years, beginning in 1974 and running until 2000. During this time I have researched both indirect and direct employee participation and have contributed evidence to support the participation-satisfaction theory. Contributions I have made to methods, practices and processes in the field of organisational participation will be elaborated on later. Specifically, my contributions have helped with understanding self-perceptions of the role of the worker director and the processes involved in turning a broad social movement (in Poland) into the new trade union, Solidarity, for the purpose of engaging in collective bargaining and other forms of industrial democracy.

(Clegg, 1976) These trade-union-sponsored forms of participation were indirect or representative forms of participation, at company level.

I have also researched more management-led forms of employee involvement such as Quality Circles, the processes of empowerment of employees and the dynamics of quality improvement groups as forms of direct employee participation normally at job level. I explored the importance of employee participation in the widespread, managerial practice of downsizing and managing the survivor syndrome, where involving people was critical in the decisions about whether they went or stayed with the organisation. All of this largely qualitative, grounded theory research (Strauss & Corbin, 1998) added to knowledge in organisational participation. The contribution was in keeping with the then EEU's definition of the "democratic imperative" which states that people in social, economic and political spheres must be involved in the decisions that directly affect them, especially when these decisions are perceived to be hostile to their interests, as they are most often in downsizing.

I have found, in much of my work, with both direct and indirect forms of organisational participation, (Lammers, 1967) that people have preferences or valences for various outcomes or incentives that are available to them through these forms of employee involvement from the highly visible roles of worker directors to more shop floor levels of involvement in Quality Circles or quality improvement teams. This is in keeping with Victor Vroom's (1973) expectancy theory. (Vroom and Yetton, (1973) Vroom argues that people will be highly motivated when they feel confident of achieving high performance, and the attraction of the rewards is high; they feel that they are likely to receive the rewards if they perform to a high level and they feel fairly rewarded relative to others around them.

My research is congruent with applied theory. My work has a strong bias towards research designs which tend towards the interpretive and action-oriented end of the methodological spectrum. Hence most of the publications have a practitioner application. My methodological viewpoint or way of thinking about and studying social reality fits in with what is described today as characteristics of a grounded theorist: (Strauss & Corbin, 1998, p.7)

1. The ability to step back and critically analyse situations.
2. The ability to recognise the tendency towards bias.
3. The ability to think abstractly.
4. The ability to be flexible and open to helpful criticism.
5. Sensitivity to the words and actions of respondents.
6. A sense of absorption and devotion to the work process.

Perhaps issues of organisational participation and industrial democracy all come down to issues of power and the fact that people who have power do not relinquish it or share it easily. Power and participation are indeed closely related concepts, mediated by the concept of democracy. (Clegg 1983) Analysing arguments on both sides of these issues calling for a redistribution of decision-making power over the last twenty or more years has been

fascinating in many ways. Alan Fox's words have special meaning for the debate. He said: "I am moved by the sight of men whose intellectual honesty and power are such that they can be led by the force of their own reasoning towards conclusions that perhaps they do not particularly relish, and which may run counter to some of the strongest self-interested prejudices of their age. Against the near-universal Victorian cant about the role of women, for example, I have to set Mill's essay on the Subjection of Women which followed Mary Wollstonecraft's earlier Vindication of the Rights of Women; neither of them yet equalled in late twentieth-century feminine literature." (Fox, 1990 p. 245).

There has been a sharp decline in trade union power and voice in the last three decades. "Recognition that the political-economic power of organised labour has declined is almost universal; the impact of this weakening of labour is, however, more debatable." (Boreham & Hall, 2005; Monks & Hall, 2005) Yet worker desire for industrial democracy still runs deep. (Marchington, 2005) The search for greater participation continues today to influence the present conditions of British industry and commerce. A new convergence of trade union influence, employee aspirations, company initiatives and State intervention is at work now and may well impact in the short-term. Over the next four years (from 6th April 2005), the Information and Consultation (I&C) Regulations will be implemented across the UK. This legislation, based on the European Information and Consultation Directive, will give employees in 38,000 work organisations in all sectors including industry and commerce, local government and health, and even charities, (Elgin 2004) the legal right to know about and be consulted on a wide range of matters to deal with their employment and their employers. (The Information and Consultative Regulation, 2005) [See Appendix A] Organisational participation and democracy at work are becoming mainstream issues again.

It is the biggest change to industrial relations in 30 years, according to John Monks, former General Secretary of the TUC, who wrote: "First it is self-evident that the scope of joint regulation has diminished dramatically since 1980. Second, as well as being a boost to worker voice in all workplaces, the introduction of information and consultation rights will enable unions in organised workplaces to address an agenda that has been beyond their reach for most of the last decade." As a form of industrial democracy, the I&C Regulations may well revive the national debate on workers' participation in the running of the organisations that employ them far beyond consultation into strategic, boardroom issues. (Elgin, 2004). The debate on organisational participation and democracy at work begun in the 1960's could now come full circle. With a Labour Government in power and the TUC finding purchase again in the labour market and renewed strength, the issue of worker directors may surface, supported by the strong, empirical arguments formulated over two decades ago.

Chapter 2. Publications Submitted

I include upfront in this synoptic paper 11 publications of articles, chapters in books, and books that cluster around the topic of trade union, managerial and employee perceptions of organisational participation and workplace democracy and that have made an original contribution to the literature. Here I discuss briefly the various contributions of individual pieces. Later the contributions are related to the literature and the collective contribution of these works is discussed.

Research Time Lines for Publications Submitted for PhD by Publication

Year	Publication
1977	Worker Directors Speak
1981	Lech Walesa: Polish Workers' Revolt
1982	Alienation, Participation and the Worker Director
1983	What's so Special about Quality Circles?
1984	Suspending Quality Circles at Alcan Plate
1987	Teaching the Chinese about Quality Circles
1987	Suspending Quality Circles at Alcan Plate Case and Case Notes
1991	Essence of Total Quality Management (TQM) 1 st edition
1996	Managing Survivors: in BT and British Financial Services
2000	Essence of Total Quality Management (TQM) 2 nd edition

1. **Bank, J. & Jones, K. (1977). *Worker Directors Speak: The British Steel Corporation Employee Directors*. Westmead, Farnborough: Gower, 114 pages.**

With this book, published within four months of the publication of the Bullock Report (1977), I contributed to the public debate on expanding industrial democracy when it was at its height. I focussed my in-depth research on the role of worker directors as perceived by the 18 worker directors of the British Steel Corporation (BSC). I outlined the history and structure of the BSC's employee directors scheme in its tenth year. I examined the dual role of worker directors as representatives and experts. I also explored role conflict in general and in particular during closures of steel plants. I discussed issues such as commercial confidentiality which did not present a problem for the worker directors who, as trade union leaders, were used to keeping confidences. In the book, I made assessments of the criticisms the worker directors received and I evaluated their unique contributions to the steel industry. The criticisms, some of which are contradictory, included being unaccountable, cutting themselves off from workers on the shop floor, being co-opted into management, divorcing themselves from trade union viewpoints, becoming careerists, being unable to deal with role conflict, acting as subversives, being ill-equipped or incompetent to serve on boards, working as trouble-shooters for human resources, serving in the vanguard of workers' control, becoming harbingers of conflict in the boardroom.

The method I used proved to be effective and original. By methods I mean "a set of procedures and techniques for gathering and analysing data." (Strauss & Corbin, 1998) The method of data collection involved meeting with the worker directors at the Steel Industry Management College at Ashome Hill in Leamington Spa, Warwickshire, on Friday (about five hours of formal discussion) and Saturday (about ten hours) every fortnight for six months. We divided the men into their divisions, for example, "special steels", "tubes", "construction steel" etc., and had them discuss pre-set items about their role as worker directors. It should be noted that only one of the BSC worker directors was on the main board, the other 17 on divisional boards, but one division encompassed as many as 90,000 employees and none fewer than 47,000. We used a method we called "wild-track taping". More than 200 hours of discussions were tape-recorded and later transcribed into text. In analysing the data we arranged the text under themes that emerged from those data – for example, indications of role conflict. These coded data were then fed back to the men at the following meeting for clarification. Some of the most valuable comments had been made when the men left the pre-set agendas we devised to talk about the real issues they were working on as worker directors in their particular divisions such as "de-manning" and plant closures. The wild-track taping captured these live issues and their "off the record" comments and discussions.

In addition to his participation in some of the sessions at Leamington Spa, Ward Griffiths was given scope to discuss his special role as the main board worker director. He had been a worker director since the beginning of the programme in May 1968, and on the main board since 1970. I used a semi-structured, in-depth interviewing technique. The

interview took place over ten hours at the BSC plant in Ebbw Vale, South Wales where Ward Griffiths had his base. This included a visit to his home and some discussions with his wife. The overall purpose of the interview was to see the similarities and differences of the worker director role at the divisional level and at the main board level.

An earlier book on the BSC worker directors (Brannen et al., 1976) had limited itself to the first three years of the worker director experiment and was highly critical of the role of worker director as carried out by the first twelve BSC employees to hold that role. The research was also very late in publication so that by the time it appeared in print, major changes had been made to the BSC worker director programme increasing, their numbers from 12 to 18 and giving these 18 worker directors more voice and power in their role. (By the time of publication of the book, “Worker Directors Speak”, 27 BSC employees had held the position of worker directors.) Initially the worker directors were required to give up their trade union positions; when this requirement was later dropped, all the worker directors who wanted to regain their union positions, won re-election, putting paid to the charge that they had lost contact with the shop floor in their new role as worker director.

The BSC worker directors provided us with access to themselves in their own time, not in company time, giving up over half of their weekends every fortnight for half a year. They were highly motivated to tell their story for four reasons:

1. They were aggrieved by the negative profile of the worker director role as portrayed in the “Brannen book” (Brannen et al., 1976)
2. They were also perplexed that they, as virtually the only holders of the role of worker director in Britain, were not invited to testify before the Bullock committee of inquiry on industrial democracy.
3. They were also unhappy that they were not asked to testify before the Lord committee, the civil service inquiry into industrial democracy in the nationalised industries.
4. They were very dedicated employees of the steel industry and committed to what they considered to be a historical role as the first worker directors. “Worker Directors Speak”, based as it was on their actual experience, made a significant contribution to a clarification of both their role and the impact of worker directors on the British Steel Corporation.

“Worker Directors Speak” was read widely by both advocates and opponents of the role and contributed to the debate on worker directors when the discussion of industrial democracy – provoked by the radical proposals of the Bullock Report just a few months earlier – was at its peak. See Appendix B 1 for a sample of how various trade union leaders, business leaders, and politicians viewed the book.

The Industrial Participation Association (IPA) welcomed the book and promoted it. “This unique and important book tells the inside story of how the men involved thought and felt, the problems they have encountered, their successes and failures. It is full of sound practical sense – a mine of information and advice for all who must prepare for the possible

advent of employee directors on the boards of British companies”, wrote Ian Gordon-Brown in a four-page feature review of the book that appeared in “Industrial Participation”, the Journal of the Industrial Participation Association, Summer, 1977. The IPA initiated an offer to its readers to purchase a special paperback issue of “Worker Directors Speak.” Another special edition of the book was ordered by the British Steel Corporation (BSC) for its own use inside the corporation. (See Appendix B 2 for Ian Gordon-Brown’s review.)

“*Worker Directors Speak*”, based as it was on the experiences of 18 British Steel Corporation Worker Directors, provided data on the exercise of a unique role in British Industrial Relations. It was published about 14 weeks after the Bullock Report proposed a restructuring of British industry to include worker directors on the boards of major UK companies. Hence it was a timely publication that contributed to the national debate on worker directors at its height. This fact alone gave the book a broad readership.

2. Bank, J., Lech Walesa: the Polish Workers’ Revolt, Employee Relations Vol. 3, No. 5, 1981, pp. 2-8.

Collective bargaining is the most widespread form of democracy at work as a form of indirect participation through trade union representation. (Clegg, 1976; Heller et al., 1998) As Clegg put it: “Collective bargaining can also be regarded as a form of industrial democracy. By bargaining with employers, trade unions take part in many industrial decisions, and their members therefore have a voice in those decisions by participating in the work of their unions.” (Clegg, 1976, p. 83) Where collective bargaining is bogus, such as in the sprawling state-controlled trade unions in the former Soviet Union and in the National Syndicate under Franco’s Spain, workers formed their own underground, free, trade union movements. They did so with Solidarity in Poland and the General Union of Workers (UGT), a socialist trade union, and the Spanish Communist Workers’ Commission (CC.OO.), the Union of Workers Syndicates (USO) and other regional trade unions such as the Basque or Catalan trade unions in Spain.

This article is about the birth of a free, trade union movement in Communist Poland in 1980. It shows the transition of Solidarity from an underground movement to a structured organised trade union serving over 10 million workers. The emergence of Solidarity from the strike at the Lenin Shipyard in Gdansk provided me with a unique opportunity to research the dynamic steps in building an effective trade union and to test my model of how a workers’ movement becomes a trade union organisation. I had formulated the model based on observations in my earlier work as a national officer with the United Farm Workers of America, AFL-CIO and later as a clandestine observer of the underground trade unions of Spain under Franco. The model consists of the four stages that a trade union goes through as it moves from being a movement to a structured trade union. These four stages are:

- (1) The event;
- (2) The confirmation of the leader;
- (3) Forging links with outside organisations;

(4) Internal structuring and the first congress.

I thought that the best way to test the model was in the open drama of the start up of Solidarity under the leadership of Lech Walesa. This article was based on an interview I conducted with Walesa at the height of Solidarity's power in May of 1981 – before the military crackdown on the free trade union and the imprisonment of Walesa and the other Solidarity leaders. Whilst visiting Linköping University in central Sweden, I was preparing to visit Walesa in Gdansk, Poland, when I learned that he had made a visit to the Kockum Shipyard workers in Malmö, Sweden to thank shipyard employees for being the first workers to support Solidarity's strike at the Lenin Shipyard in Gdansk. I travelled to Malmö and arranged to interview Walesa the following day as we both travelled on a hydrofoil from Malmö to Copenhagen and on to the Copenhagen airport where he took a plane to Gdansk. The interview was a semi-structured one. The major question was: 'How do you take a broad-based social movement and transform it into a structured trade union?' The interview was conducted in Polish using his interpreter. I tape recorded the hour-and-a-half interview and later had it translated and transcribed at the University of Copenhagen by a Polish translator. I analysed the data from the transcript drawing out the four stages of the model.

Analysis of the data of the interview allowed me to identify the four stages of the transformation of a social movement to a trade union:

- 1) The event – the strike at the Lenin Shipyard in Gdansk.
- 2) The confirmation of the leader. Lech Walesa, was under house arrest for free trade union activities at the time of the strike. He did not call it, but immediately took charge of the strike and led it. He refused compromises offered by management and widened the strike to a demand for free trade unions across Poland. His leadership was not disputed as he made the critical judgments extending the strike and negotiating with the Polish government.
- 3) Forging links with outside organisations. In a confrontational situation against overwhelming odds, the struggling new free trade union sought the help of the international labour movement. Sweden's LO, the industrial confederation of trade unions, was the first to help. They were followed by the TUC and other European trade unions. Walesa also developed strong ties with the Catholic Church.
- 4) Internal structuring and the first congress. Solidarity had a four-way leadership contest at its first congress that saw Walesa elected with 55.2 per cent of the poll. The radical underground organisation KOR (The Committee for the Defence of the Workers—Komitet Obrony Robotników, set up by a group of intellectual dissidents in 1976, in response to the Polish State's brutal suppression of workers' protests against steep rises in food prices,) disbanded at this congress giving over its role as an opposition force to Solidarity. The trade union's independent, industrial power base proved a threat to Poland's Communist government. Solidarity had been in existence for 14 months and had an overall membership of more than 10 million when the Polish State moved to attempt to destroy it by imprisoning its leadership and outlawing all its activities.

Russell & Rus, (1991) argue, and I totally agree with them, that Solidarity did make a significant contribution to the catastrophic events of 1989-90, when “the socialist systems of Eastern Europe ...were swept by changes that would have seemed unimaginable just a few months before...Dramatic changes have been occurring in systems that had previously seemed impervious to change, and we are seeing entire nations once again ask fundamental questions about how their societies can best be governed and about how their workplaces can best be owned and controlled.” (Russell & Rus, 1991)

But the merit of this article lay not in the geopolitical issues raised, rather in its analysis of the initial stages of the formation of a functioning trade union, as distinct from a movement. The model for this transition from workers’ movement to function trade union is tested in the reality of the early struggles of Poland’s Solidarity. The tradition of research in industrial relations from which this follows is that which has examined the nature and structure of trade unions with particular reference to their political role as featured in the work of R.M. Blackburn on trade union character and social class; (Blackburn, 1967) and earlier in Robert Michel’s seminal analysis of the role of representation in democracy that leads to elitism and the “iron law of oligarchy”. (Michel, 1911).

3. **Bank, J. (1982). Alienation, Participation and the Worker Director. In A. Kakabadse. People and Organisations: 54-77. Westmead, Farnborough: Gower.**

The central idea of this analysis is that employee participation is an antidote to alienation on the shop floor. The dimensions of alienation – meaninglessness, isolation and self-estrangement (Blaumer, 1964) – are offset by the positive relationship between participation and employee satisfaction. (Argyris, 1962; Bennis, 1966; Likert, 1967; McGregor, 1960; Lawler, 1980; Hackman and Oldham, 1980). Various forms and levels of participation (Lammers, 1967) are proposed to deal with different aspects of alienation. I explored the benefits to workers of direct participation, involving as it does new forms of job design, job rotation, job enlargement, job enrichment, working groups and autonomous working groups. Particular attention is given to the Swedish experiments with participation in job re-design which I argue had a direct and immediate positive impact on satisfaction. (Lindholm & Norstedt, 1975). Hence I was able to add this Scandinavian evidence to support the participation-satisfaction equation.

In search of evidence for the participation-satisfaction thesis, I discussed the Quality of Work Life (QWL) movement in the United States with Irving Bluestone, Vice President of the United Auto Workers of America,(UAW), during a break in his negotiations with General Motors over a three year contract covering 400,000 workers in Detroit, Michigan in August 1979. Bluestone was director of the union’s GM Department at the UAWs’ international headquarter where we met and discussed key items in the participation debate for two hours, using a semi-structures interview. He said that his union, the UAW, was solidly supporting QWL. “Traditionally management has called upon labor to co-operate in improving productivity and the quality of the product. My view is the other side of the coin

is more appropriate; namely that management should co-operate with the worker to find resources in each human being in developing a more satisfying work life with emphasis on participation in the decision-making process.” (Bank, 1982, p 70). Within months of this discussion Bluestone could point with pride to the most celebrated success story with organisational participation, the QWL programme at the General Motors (GM) plant at Tarrytown, New York, where 95 per cent of the plant’s 3,800 employees were put through a QWL programme at a cost of \$(US)1.5 million. GM immediately reaped the benefits of linking satisfaction and participation in term of increased productivity. In the estimation of Robert H. Guest, “Tarrytown represents in microcosm the beginnings of what may become commonplace in the future – a new collaborative approach on the part of management, unions and workers to improve the quality of life at work in the broadest sense.” (Time, 1980) See Appendix “D” for a fuller account.

Guest (1979) found the turnaround at the Tarrytown GM plants in seven years – going from being one of the company’s worst plants to being one of its best – remarkable, especially as it was built on the concept of quality of work life. Eventually it affected 18 plants and nearly 100,000 workers. He wrote: “Born out of frustration and desperation, but with a mutual commitment by management and the union to change old ways of dealing with the workers on the shop floor, a quality of work life (QWL) program developed at Tarrytown. ‘Quality of work life’ is a generic phrase that covers a person’s feelings about every dimension of work including economic rewards and benefits, security, working conditions, organizational and interpersonal relationships, and its intrinsic meaning in a person’s life ... I will define QWL more specifically as a process in which an organization attempts to unlock the creative potential of its people but involving them in decisions affecting their work lives. A distinguishing characteristic of the process is that its goals are not simply extrinsic, focusing on the improvements of productivity and efficiency per se; they are also intrinsic, regarding what the worker sees as self-fulfilling and self-enhancing ends in themselves.” (emphasis added) (Guest, 1979)

I gathered more evidence for the participation-satisfaction from Edward E. Lawler, III, professor of management and organization in the Graduate School of Business Administration at the university of Southern California in a one-to-one discussion in which we compared and contrasted QWL with the debate on expanding industrial democracy in the UK and throughout Europe in February 1980. (He had accompanied L. W. Porter and J. Richard Hackman to deliver a workshop to members of the Human Resources faculty at the Cranfield School of Management). I used an unstructured interview in the two hour discussion about his research into participation in the USA. Lawler said: “I think there is a clear link between participation and satisfaction. In most cases it seems that participation does increase satisfaction. At least on the part of people who are newly welcomed into participation.” (Bank, 1982, p. 67.)

The QWL case for increasing participation stops short of boardroom appointments, but does advocate an entire range of forms of participation at job level, as in the Scandinavian experience. I then turned to the benefits of indirect participation through

representatives at the company level, examining the role of the worker director in the British Steel Corporation to find more evidence for linking participation to satisfaction.

This part of the book chapter was written partially from the data collected for “Worker Directors Speak”. However, worker directors were not really on the American agenda for employee participation. The United Auto Workers of America was the first union in the USA to have a worker director when Douglas Fraser, UAWs’ international president, took a seat on the board of the ailing Chrysler Corporation in the summer of 1980. Fraser became a worker director more as a watchdog than as a harbinger of workers’ control. Yet his union – the UAW – was the only American trade union at the time that advocated European-style worker directors.

In the book chapter, I provided added evidence to the position that participation is an antidote to alienation and is linked with employee satisfaction. This evidence was in keeping with a large body of evidence provided by American researchers. (Argyris, 1964; 1972; Bennis, 1966; Likert, 1967; McGregor, 1967; Blumberg, 1968, 1971; Lawler, 1980; Hackman & Oldham, 1980). The evidence I published contradicted work by Wall & Lischeron (1977, p. 28) who found “a lack of evidence” in support of the participation-satisfaction thesis. They denied that a causal link between the two variables has been established and attributed the link to their belief that most authors who support it are human relations people who let their own personal values get in the way. As they put it: “It is our submission that this is a consequence of interpretation of empirical evidence becoming distorted by value orientation. Investigators, believing participative approaches to be intrinsically worthwhile, have been overeager in documenting other benefits that might accrue. This has led them to attach much greater significance to research findings than they otherwise would.” (Wall & Lischeron, 1977, p. 147)

The view that employee participation reduces shop floor and office alienation is borne out by the work of Hackman & Oldham (1976, 1980) replicated in widespread use of their job diagnostic survey (JDS). The underlying psychological model requires that the worker sees his or her work as meaningful, has some autonomy over it and receives feedback.

The worker director role was designed with all of these three critical psychological states – meaningful work, autonomy and feedback – built into it. For the employees selected, who had spent their entire lives in the steel industry, being chosen for the role was most meaningful for each of them. They saw it as an honour bestowed on them due to individual merit and their competencies. (During the six-months’ research, I found that these men’s lives were totally obsessed with the steel industry issues; it was practically all they talked about, apart from football. The fortnightly meetings were all about the steel business.) Within their own divisions, they had a great deal of autonomy as directors and were permitted to evolve their role as each man saw fit. Both positive and negative feedback from many quarters was continuous and often constructive. The BSC worker directors were aware that they were pioneers carving out a new, important role in advancing employee participation. Hence they were hugely self-motivated in their unique jobs.

In conclusion, in both direct forms of participation and indirect or representative participation, I found evidence of the participation-satisfaction connection. Both forms of participation greatly diminished alienation at work, even in the notoriously alienating auto industry in the USA and in Europe.

4. Bank, J. & Wilpert, B. (1983). What's so special about Quality Circles? Journal of General Management, Vol. 9, No.1, Autumn, pp. 21-3.

This article is a "think piece". It was prompted by twenty years of success enjoyed by the Japanese in Japan with their creation of Quality Circles (QCs). (Pascale & Athos, 1981; U.S. House of Representatives report on trade with Japan, 1980) The article asked if QCs were more than culture-bound phenomena. The spread of the Quality Circle movement internationally in diverse countries led to our methodical, international comparative investigation into Quality Circles. After giving a history of the QC movement in Japan, the article established the constituent elements and modus operandi of QCs. They are defined as voluntary groups of between five and fifteen people who do the same or similar work and meet regularly, usually under the leadership of their foremen, to solve work-related problems.

The method we chose to use in the research was to conduct a literature review on six established, related concepts and models that we selected as most appropriate for comparative research. We then compared each of the six with Quality Circles along two dozen characteristics. We compared QCs with: 1) Task Forces, 2) Semi-autonomous work groups, 3) Suggestion schemes, 4) Learnstatt (literally "learning shop" in German, an attempt to integrate learning and working), 5) Werkoverleg (formal, shop floor, participation groups set up in Holland by legislation), and 6) Total QC groups. This synoptic comparison of various classical (Western) organisational structures with classical Japanese-styled QCs revealed striking similarities and differences.

The article established that despite their worldwide application, QCs share compatible objectives, similar personnel settings and a comparable modus operandi. We identified the three aspects of the objectives set for QCs as: 1) a developmental objective for work people and their foreman; 2) a team-building objective achieved through participative decision-making, and 3) a task improvement objective often resulting in a better product or process at work. They shared similar personnel settings in that they were small groups with an interdisciplinary membership, at several hierarchical levels. Finally they shared a comparable modus operandi. They are continuous voluntary groups that set their own ground rules and chose their own leaders. They also employ facilitators and other organisational-wide support structures and use financial incentives.

I obtained funding for this research from the Anglo-German Foundation and chose as my co-author Professor Bernard Wilpert, then head of the Psychology Department at the University of Berlin. I selected him as a co-author because of his rich experience in

organisational participation research. He is one of four authors who made up the Editorial Board that produced major research projects into participation spanning over two decades, principally two large-scale cross-national studies – Industrial Democracy in Europe (1981) and, a decade later, Industrial Democracy in Europe Revisited (1993). These authors also produced three International Yearbooks of Organisational Democracy published by Wiley in 1983, 1984 and 1986; three volumes of International Handbooks of Participation in Organizations, published by Oxford University Press in 1989, 1991 and 1993; (3,000 pages of summaries of empirical research on participation); and a final valedictory volume, “Organizational Participation: Myth and Reality” (Heller et al., 1998.)

The article made a contribution to understanding QCs as a form of direct participation at an early stage in their development and implementation throughout the West. As Heller et al. (1998) indicate “Among the most common forms of direct participation are problem-solving groups (such as quality circles) and decision-making work teams, also called semi-autonomous work groups...” The joint work on the article prompted Professor Wilpert to undertake a 3-month study tour of QCs in Japan funded by the Japanese government.

5. Bank, J. (1984). Suspending Quality Circles: Alcan Plate. In M. Robson, Quality Circles in Action: 136-150. Gower.

This is a case study that showed how mistakes made in implementing Quality Circles on a company-wide basis led to a failure of the programme rather than to the intended output of long-term improved product and process quality initiatives. The case study is a traditional piece of action research meeting the requirements for action research as put forward by Eden & Huxham (2002): “Action research involves the researcher in working with members of an organization over a matter which is of general concern to them and in which there is an intent by the organization members to take action based on the intervention.” (Eden & Huxham, 2002, p. 255).

The organisation in question, Alcan Plate Limited, is a subsidiary of British Alcan Aluminium. Alcan is the short name for Alcan Aluminium Limited of Canada, a multinational company based in Montreal, Quebec whose main business is aluminium from the mining of ore to the production and sales of numerous finished products including aluminium plate for the aerospace industry, the military – battleships, tanks and missiles, and architectural building sheets. The plant featured in the case study is in Kitts Green, a suburb of Birmingham in the UK.

At the time, Alcan was engaging in management education on a modular basis for about 20 middle managers at the Cranfield School of Management. The modules were spaced about six months apart and were linked by projects back at the plant. Those of us who were tutors for the management education were also supervisors of the projects at the Kitts Green plant. I designed and delivered a learning module on organisational participation that included an explanation of QCs. At the conclusion of that educational module, the Alcan managers proposed implementing a pilot programme of QCs at their

plant as a management project. The proposal coincided with the Quality Manager's own interest in implementing a QC programme and was given approval by senior management. I became the consultant for the project and was able to visit the plant and to interview the principal participants in the QC programme implementation as it unfolded. This included QC members, leaders, facilitators, superintendents and other senior managers and trade union leaders. I used semi-structured interviews to ascertain if the managers were following the principles of successful QCs and their modus operandi. I met with QC members. I had access to minutes of the QC meetings, and to relevant company records. In this action research I also had access to the main actors in the project including senior management and tried (unsuccessfully) to influence them to adhere to the classic model of QCs. The time frame was about six months.

The case study identified four fundamental errors made in implementing QCs.

1. Having set up the QCs with members joining on a voluntary basis, management decided to "hand down" the initial problems for the QCs to solve, rather than let the QCs decide for themselves which problems they wanted to tackle. This effectively denied the QC members "ownership" of the problems and showed a lack of trust in the QC members' ability to select their own problems to solve. (Hutchins, 1985, 1992; Robson 1985; Townsend & Gebhardt, 1987; Oakland & Porter, 1994)
2. The lack of trust was intensified when the management allowed the superintendents to attend the QC meeting in their own departments. (Robson, 1985)
3. No training in problem-solving was given to QC members or to their leaders – the foremen. (Lawler & Mohrman, 1985)
4. Finally, management over-reacted to the initial rebuff from the craft trade unions. (Hutchins, 1985, 1992)

The case study demonstrated that despite violating core principles of QC structure and modus operandi, management achieved immediate problem-solving success – short-term gain – that was translated into financial savings. The main benefit was a temporary change in attitude on the part of the workforce from a 'them and us' attitude to a more cooperative, team approach to problem-solving. When the QC programme was suspended, the majority of members said they were willing to try again.

The research in a different format was included in "Cases in Human Resources Management", Tyson & Kakabadse, 1987. As a case study of a QC programme that failed, it provided an example of how not to organise QCs. Since case studies are about decision-making, (Harrison, 2002), it was useful for pedagogical purposes to publish one in which the managerial decision-making was flawed.

6. **Bank, J. (1987). Teaching the Chinese About Quality Circles. In M. Warner, (Ed.) Management Reforms in China: 99-110. Frances Pinter.**

This is a chapter based on my reflections on the experience of teaching Chinese management students from across China who attended the week-long courses at the Commercial Cadre Institute of Beijing that I conducted for Cranfield School of Management four times during September/October 1985. The cross-cultural experience of an American, teaching Chinese managers about a Japanese management technique, whilst representing an English university under the sponsorship of the British Council, provided insights into managing diversity, as well as cross-cultural communications. Historical hostility between the Chinese and Japanese, I was told, made it easier for the Chinese managers and academics to be introduced to QCs by such a circuitous route. But that was not the focus of the chapter.

Rather it is an article on the pedagogy used in training managers in QC principles and techniques that appeared as a chapter in a book on management reforms in China. The four, week-long workshops that I conducted in Beijing, China for managers from across the country, gave me the opportunity to observe the management-students' learning styles. I introduced the Chinese managers, more used to dictatorial management and learning styles, to a participative management and learning style that involved techniques that were totally strange to them. These techniques included lateral thinking and brainstorming, using Pareto analysis and cause-and-effect diagrams and other problem-solving techniques. I explained how QCs operated as a direct form of employee participation at job level in the search for quality products and services.

There were 50 managers for each of the four workshops. They came from a wide geographical region across China and ranged in age from 20 to 62, with an average age of 37. They represented a broad spectrum of industries, from agribusiness to the oil industry, from commercial institutions to retail trading, from transport to education, from purchasing groups to public sector administration, and from marketing organisations to co-operative communes. Their positions also ranged widely from director and vice-director to frontline supervisors, from president and vice-president to foreman, and from dean to lecturer.

The series of workshops I designed and delivered were credited by the Commercial Cadre Management Institute of Beijing as contributing to the QC movement in China and the teaching materials translated into Chinese (with that country's traditional disregard for copyright) were dispersed throughout the country along with a Chinese translation of Mike Robson's book, "Quality Circles Members Handbook"(1982).

In addition to setting up problem-solving activities in small groups, thereby involving employees more directly in their work at job level, QCs also involve employees participating in their own training and development. Leaders of the QCs, who tend to be foremen, spend part of their time educating QC members in the techniques they need to identify and solve problems and to be able to competently make presentations to managers on their ideas and solutions. The high-profile role the foreman holds as leader and trainer of the QC is designated to re-establish his essential role as frontline supervisor. The supervisor who has been viewed as a "man in the middle" (Roethlisberger, 1945) and who has to deal with the conflicting demands of management and workers has been called

“marginal man” occupying a position on the boundary between management and labour in a sort of organisational limbo (Wray, 1949). Much of the research that has been done on the superintendent is downward looking, from his position in the organisation, focusing on his behaviour with subordinates and on the effects of his behaviour on workers’ performance. An alternative perspective – one employed in the QC approach – is to also view his role looking upwards. This view reinforces his authority and gives him a more participative role in setting and meeting work objectives as leader of QCs. (Child, 1975).

At that time, the Chinese learning style was still dominated by the need to memorise materials provided by the tutor and to be able to recite the materials verbatim, following traditions where Confucius’ disciples learned to recite by heart from the classic books. (Hong Kingston, 1981). Hence this descriptive chapter in the book, in addition to its didactic content, provided a study of divergent learning styles and pedagogies. The month-long teaching assignment offered me the opportunity to informally test the educational theories of Paulo Freire, the Brazilian educationist, author of “*Pedagogy of the Oppressed*” (1972). Freire draws a powerful distinction between “liberating education” or “problem-posing education”, the kind I had embarked on, and the traditional “banking concept” of education that was more Confucian in origin.

The “banking concept” of education is focused on a two-staged action of the educator. First he or she prepares the lecture by thinking about the knowable object of a lesson in one’s study, office or laboratory. Then he or she expounds his or her knowledge to the students in the lecture theatre, expecting them to memorise the content of the lecture, not to know it. Actually the students do not practice any act of cognition, since the object towards which that act should be directed is the property of the teacher rather than a medium evoking the critical reflection of both teacher and student. (The British equivalent of this is that “the notes of the lecturer become the notes of the students without passing through the head of either.”) Hence, Freire concludes, that in the name of “preservation of culture and knowledge”, we have a system that achieves neither true knowledge nor true culture. By contrast, “liberating education” is not interested in the transfer of information but in acts of cognition. It promotes a learning situation, a dialogue between teacher and student in which they are joint owners of a process in which they both grow. “Problem-posing education” bases itself on creativity, Freire argued, “...and stimulates true reflection and action upon reality, thereby responding to the vocation of men who are authentic only when engaged in inquiry and creative transformation.”

By employing Freire’s pedagogy, which was perfectly suited to the problem-solving techniques and focus of QCs, I was able to communicate the central messages and core techniques to the managers. Although initially hesitant, these managers learned to adopt lateral thinking and techniques such as brainstorming in organisational problem-solving. The experience provided further evidence of the validity of Freire’s findings.

I found that there was a cultural fit between the participative demands of QCs and Chinese culture. They were used to working in small groups and to the idea of collective responsibility. Task assignments to the small groups were taken seriously. Report-back.

plenary sessions were a matter of group pride in performance. Superb calligraphy replaced the scribbling both lecturers and students seem to be satisfied with in the West.

The chapter appeared in 1987, in *Management Reforms in China*, edited by Malcolm Warner. It was one of the first management books as China was opening itself to the outside world. In a new series, *Management Reforms in China*, (1994) edited by John Child and published by the University of Cambridge, Warner is recognised as one of the pioneers of management writers on China.

7. (a) **Bank, J. (1987). *Suspending Quality Circles: Alcan Plate Limited*. In S. Tyson & A. Kakabadse (Eds.) (1987). *Cases in Human Resource Management: 233-239*. London: William Heinemann.**
- (b) **Bank, J. (1987). *Suspending Quality Circles: Alcan Plate Limited*. In S. Tyson & A. Kakabadse, (Eds.) (1987). *Cases in Human Resource Management: Teachers' Case Study Guide: 230-240*. London: William Heinemann.**

The failure of the Quality Circle (QC) programme at Alcan Plate Limited, in the summer of 1981, is presented as a case study for understanding the constituent elements of a QC programme and its fundamental principles. The case study was written from interviews with all the actors involved in the implementation of a pilot quality circles programme, consisting of three QCs, one in the plate finishing department, one in the paint line section and one in the foundry. The interviewees included ten quality circle members, three quality circle leaders, two superintendents who attended the meetings, the quality manager and his senior manager, the human resources manager and the training manager who co-sponsored the intervention, a trade union representative from the Transport and General Workers Union and the Amalgamated Union of Engineering Workers, and three other senior managers. I attended several of the QC meetings and made direct observance on site as to the processes and procedures of their manufacturing processes from the foundry to the paint line and plate finishing department. I also had access to the minutes from QC meetings and other company records including a health and safety report of a death that took place in the plant due to a lack of following safety procedures on a milling machine. These data from the interview transcripts and written records were analysed and findings discussed with the principals involved, the interviewees, as a crosscheck on the accuracy of the information. In addition, general discussions about reasons behind the QC implementation suspension were held with the middle managers who were attending a management education programme at the Cranfield School of Management and who had taken on the implementation of the pilot QC programme as a project. This discussion took place among the tutors and the 20 managers during their next educational module at Cranfield School of Management in September 1971, six months after their decision to launch the pilot QCs.

This research found that short-cuts taken in setting up the programme – such as failing to train the QC leaders or members in problem-solving techniques or delegating their first problems to solve (as opposed to letting the QCs choose and own the problems themselves.) – undermined the entire, voluntary programme. Permitting senior managers to attend the frontline QC meetings, out of lack of trust, likewise was detrimental to the long-

term life of a QC programme. The prevailing pedagogy for teaching about and promoting QCs, at the time, was to record and communicate “success stories”. To present a case study on how a QC programme failed was a departure from this traditional QC promotional approach. Its contribution lay in that it set out the core principles necessary for QC success against the consequences of ignoring them. Despite the long-term failure of the three pilot Alcan QCs, each of the QCs made suggestions for improvement in the way work was done in their areas. When these suggestions were implemented they resulted in cost savings to the company. Managers also reported a reduction in the ‘them and us’ attitude among those workers who were engaged in the QCs. This “improved industrial relations” outcome from QCs was as common a consequence of Quality Circles as was the financial savings and better work practices. (Townsend and Gebhardt, 1985, 1987, 1992; Hutchins, 1985).

The narrative of the case study remained substantially the same as it appeared in Robson, (1984) “Quality Circles in Action”. It was enlarged with the publication of teaching notes for the case study published in a separate volume. The teaching notes for the case study contributed to the case’s value for learning. At the time of its writing, QCs existed in over 35 different countries. In the “Teacher’s Case Guide”, I set out the core principles of QCs recognised in the literature. I then presented a model for developing a QC programme to avoid the pitfalls described in the Alcan case.

8. Bank, J. (1992). The Essence of Total Quality Management. 1st ed. Essence of Management Series. Hemel Hempstead: Prentice Hall, Pearson Education, 203 pages.

In this book, I present Total Quality Management (TQM) as a historically unique opportunity to improve organisational effectiveness while revealing how organisations actually work in practice. I emphasise how important it is to involve everyone in the organisation from the CEO down to frontline operatives. Everyone at every level must participate in empowering employees to achieve continuous quality improvement individually and collectively. Quality is defined as fully satisfying agreed customer requirements at the lowest internal cost. Internal customers are as important to TQM as external customers or consumers of the companies’ outputs – products and services.

This book is largely written from a literature review of the quality literature and in that sense it is derivative, depending as it does on the quality pioneers – A.V. Feigenbaum, Walter Shewhart, W. Edwards Deming, Joseph M. Juran, Kaoru Ishikara, Philip B. Crosby and John S. Oakland. The book was enhanced by the author’s own fieldwork on implementing TQM programmes across a wide spectrum of organisations internationally, including IBM in North America, Europe, the Indian Subcontinent, the Pacific Rim, Australia and New Zealand over a period of five years. The fieldwork was conducted by the author who was an adjunct faculty member of IBM’s Quality Institute in New York State. While conducting management education programmes for IBM in New York and California and at IBM locations worldwide, I was able to review progress in IBM’s global

implementation of TQM. Accordingly I was able to process data from IBM's "Quality Focus on the Business Process" which quantified the company's success that came from establishing ownership and quality management of its business processes. The company was able to document reported savings of \$(US)5 billion from the adoption of its "Quality Focus on the Business Process" internationally. The author's own research findings about the effectiveness of TQM programmes as a form of empowering people came from this fieldwork and was in agreement with those positive findings of Lawler et al. (1989, 1992).

As their extensive research of Employee Involvement and Total Quality Management (Lawler et al., 1992) of the Fortune 1000 companies demonstrated: "A key contribution of the total quality movement has been its emphasis on the processes that cut across the organization, beginning with contact with customers and going all the way back to the interface with suppliers. This emphasis has been embodied in such practices as exposing employees directly to customers and collaborating with suppliers' quality efforts to ensure high-quality materials and enable just-in-time deliveries. These approaches are fully consistent with employee involvement, particularly when they are carried out by the line work units rather than by special staff groups and managers." (p. 101)

The book contains a case study on the launch decision of NASA's Space Shuttle Challenger, and other examples of "cost of quality" under six categories – prevention, appraisal, internal failure, external failure, exceeding requirements, and lost opportunities. It offers mini-case studies of how companies have implemented TQM from British Airways' commitment to customers, to IBM's focus on the business processes, from Xerox's driving quality into the business plan to the Paul Revere Insurance Company's emphasis on "Quality has value" in its recognition programme. As its title implies, the book distilled the core principles of TQM, analysing the teachings of the experts who founded the quality movement. It examined the history of the quality movement and analysed all aspects of TQM programmes from group dynamics to the techniques used for problem-solving to variations on the theme of total quality as implemented by large corporations.

The book was translated into several foreign languages including Polish, Portuguese and Chinese. A special Asian edition of the book in English was published in 1998 in association with the Singapore Institute of Management, which included a concluding contribution from Yap Kuan Wah, "Total Quality Management in Singapore".

9. Bank, J. (2000). The Essence of Total Quality Management. 2nd ed. Harlow: Prentice Hall, Pearson Education, 259 pages.

The second edition of this book was enhanced and enlarged by over 50 pages to take account of both feedback on the earlier edition and new developments. The updated 2nd edition added new case studies including several on Small and Medium Enterprises (SMEs) and more international illustrations. A new chapter: "Evaluating TQM" analysed ways of determining the success or failure of TQM initiatives. It also examined international quality awards criteria, found in the Malcolm Baldrige Quality Award, (USA), (Sims, 1992;

Steeple, 1993), the European Quality Award (Sims, 1992) and the Deming Prize (Japan) that was created by the Union of Scientists and Engineers. There was an update on books and articles on research into Total Quality Management.

Amazon.com gives the book a five star rating. The title is still in print 14 years after its original publication. Chapters from the book were published separately by Pearson Group (Australia) in 2004.

10. **Doherty, N., Bank, J., & Vinnicombe, S. (1996). Managing Survivors: the Experience of Survivors in BT and the British Financial Services, The Journal of Managerial Psychology. 11(7), pp. 51-60.**

This research was initially presented as two separate papers – one by the author and Susan Vinnicombe and one by Noleen Doherty – to a conference on “The New Deal at Work” at City University. At the invitation of the editor of “The Journal of Managerial Psychology,” the cores of each conference paper were combined for the article.¹

The article outlines the change dynamics in the UK in the early 1990s. It presents findings about downsizing from a survey of financial services that have come from a traditionally secure employment industry. These findings included the fact that whilst many companies engaged the levers in a downsizing, with support services such as counselling, job search and skill development, little is being done for those who remain – the survivors. Yet survivors often experienced the effects of major changes as deeply as those made redundant. The findings are reinforced by a case study of downsizing in BT, a company, at that time, with a tradition of ‘jobs for life’. The in-depth case study researched the reactions of individual survivors to redundancy and demonstrated the prevalence of the “survivor syndrome”. It confirmed the negative outcomes of the “survivor syndrome” such as anger, feelings of betrayal, loss of motivation and a diminishing of trust in the organisation. It also pointed to participative activities that could be used to involve those, most affected by the changes (downsizing), in the decisions that affected them.

The research base for the BT case study was six workshops on downsizing that Susan Vinnicombe and I conducted with BT employees. About 12 participants attended each three-day workshop in BT’s communications department. They filled out questionnaires on their experiences of downsizing, engaged in free discussions of their experiences and formed supportive groups to help process their problems. Several weeks after the workshops, the participants returned for more process work on their action points. These included being proactive when their jobs were targeted by updating their CVs and actively seeking new positions. There were several feedback loops in the processing of the data from the questionnaires to check their validity and accuracy. In the report back

¹ Noleen Doherty claimed the first-named author of the piece because she did the literature search for it. The article was fittingly submitted by her in her own successful PhD by Publication synoptic paper (Doherty, 2000). However, my contribution – the central in-depth case study on BT’s dealing with downsizing – is the heart of the article.

sessions, I was able to check on the progress the BT employees were making in becoming more resilient in the face of wave after wave of downsizing that reduced their numbers from 280,000 to 120,000 within six years. BT, as one of the first major companies to downsize in Britain, provided a rich, initial case study to illustrate nearly all aspects of the phenomenon of the survivor syndrome.

For example, the theory of the psychological contract at work was used as an explanatory framework in the case study. (Rousseau, 1989; Rousseau & Parks, 1992; Guest, 1998). It included further developments as the “old” psychological contract with its ‘jobs for life’ was replaced by the “new” psychological contract, where keeping one’s job is dependent on having the competencies the company require in change scenarios. (Noer, 1993). Later in the contribution to knowledge chapter, I built on our own analysis of the dimensions of the old and new psychological contract in terms of intended HR strategy and outcomes. (Bank, 2004, in Kakabadse, et al. 2004, pp. 47-48).

In further documenting the survival syndrome (and illuminated the dysfunctional effects of downsizing on both the leavers and those who stay in the downsized organisation.) (Noer, 1993), this article also explored positive strategies for handling the negative results of downsizing including involving employees at every stage of the event and emphasised the need to rebuild trust. The article confirmed that care must be taken by organisations to look after not only the leavers, but also the survivors, who need to be involved in dealing with the survivor syndrome through support groups and individual counselling. Drawing on the work of psychological literature the research emphasises the need of individual differences in the context of resilience. (Sahdev, 2001) A range of personality traits has been used to study how individuals cope with significant changes, such as optimism versus pessimism (Scheier, Carver & Bridges, 1994), self mastery (Pearlin & Schooler, 1978,) hardiness (Kobasa et al. 1982; Hamilton, 1996.) One of the major findings of the research was that high hardy people deal better with the downsizing/survivor syndrome experience than people with low hardiness. The degree of participation in the decisions that directly affected them influenced positively both the leavers and the survivors of organisational downsizings.

The central theme of this research, then, is that both the victims of downsizings and the survivors must participate in the decisions that affect them and exercise options whenever possible. Employee participation is the key to creating a resilient workforce in the face of downsizings. It is the basis of rebuilding the trust, commitment and motivation between management and the workforce that is usually shattered in imposed downsizings. The employee participation process begins with the announcement of the downsizing when managers communicate carefully and fully about what is about to happen and when consultation is undertaken with the entire workforce. Involvement is necessary for both those who leave the organisation and also those who stay as survivors. (Noer, 1993, Sahdev et al, 2001).

The article confirmed in a downsizing context the work on hardiness (Kobasa et al., 1982; Hamilton, 1996). The thrust of the research is in line with the then EEC’s Draft Fifth

Directive on the Harmonization of Company Law, which sets out the “democratic imperative” that those who are most affected by decisions in the social, political and economic order, must be involved in the making of those decisions even when they are perceived to be hostile to their interests and they are tempted to fight a rearguard action against the changes. (EEC, 1972).

Methods used throughout the submitted publications

Throughout these eleven publications I used a wide assortment of methods to collect data on the various aspects of organisational participation and democracy at work. I have used participant observation, action research, interviewing, attendance at QC and TQM group meetings over time, workshops, case study writing, questionnaires, focus group discussions, and wild track tape recording.

I make no claims of original contribution for any of these methods, except perhaps for wild track tape recording. I used this method for data collection in the first, and perhaps the most substantial, publication submitted, “Worker Directors Speak”. Wild track tape recording enabled me to capture worker directors speaking both on and off the agenda that I set for them about the work they were doing in the role of worker director. From over 200 hours of wild track tape recording, I was able to put together an accurate picture of what worker directors not only said that they did, but actually did in their representative jobs as worker directors. Like a fly on the wall camera, the tape recorder, although not hidden, was soon forgotten in the cut and thrust of discussion by the worker directors. They were grouped according to the divisions they represented, for example, special steels, construction steel, tubes, etc, so that it was easy for them to leave the pre-set agendas I set for each meeting to discuss the hot topics and current issues of the day that demanded their attention. The tapes were later transcribed, the data categorised and feedback given to them as agenda items for further meetings. Accurate transcription of the tapes was often difficult due to the clash of voices on the recordings (multi-speak) as discussions ‘heated up’ and also because many of the 18 worker directors had strong regional accents. For the worker director on the main board of the British Steel Corporation I decided to use a semi-structured interview at his original factory site in Wales and during a visit to his home. The on-site interviews were designed to capture the contrasts in his work world as he moved between the hot mill in a Welsh Valley and the boardroom in Knightsbridge, London.

Later I was able to use this same worker director data, examined under the lens of the participation-satisfaction thesis for another publication, “Alienation, Participation and the Worker Director.” In this work I also used an in-depth one-to-one, semi-structured interview with United Auto Workers of America (UAW) leader, Irvin Bluestone to obtain a trade union perspective on the Quality of Work Life movement. The same method enabled me to get comprehensive data on the link between participation and satisfaction from interviewing Edward Lawler, III, a leading academic expert on organisational participation. In the same research, I went to Kalmar in Sweden to see first hand the revolutionary way

Volvo was assembling a motor car, using direct participation and autonomous work groups. There I was able to interview the participants directly responsible for the change.

Sometimes the method was expedient and dictated by the circumstances. For example, the interview I had with Lech Walesa occurred rather spontaneously when he and I were both in Sweden and arranged to meet in Malmo. Using a semi-structured, tape-recorded interview with his interpreter translating for me from English to Polish and for him from Polish to English as we travelled between Malmo, Sweden and Copenhagen and later at the airport awaiting his flight to Gdansk was not ideal, but it gave me the data I required.

Participant observation, literature review, action research and case study methods were used for a series of Quality Circle research projects. All four methods were used for the chapter, "Teaching the Chinese about Quality Circles" and the two case studies entitled, "Suspending Quality Circles at Alcan Plate Ltd". In these two research publications, I was a participant observer. In the first instance, I was engaged in a joint venture with the Commercial Cadre of Beijing and my university to teach Chinese managers from across the country the theory and practice of Quality Circles. It required that I develop an effective pedagogy that could be carried out by the managers themselves to facilitate creating a Quality Circle movement in China. In the second instance, I was a participant observer of a management education programme at Cranfield for a manufacturing company in the Midlands and the supervisor of a project to implement a pilot Quality Circle programme at their factory. As Alan Harrison (2002) says: "Case study research is of particular value where the theory base is comparatively weak and the environment under study is messy." Both of these criteria applied to lecturing to the Chinese about Quality Circles in Beijing and to implementing a QC programme at the aluminium factory in Birmingham. Both research projects also could accurately be described as action research, in the classic sense. Eden & Huxham, (2002, p. 255) assert that "action research involves the researcher in working with members of an organization over a matter which is of genuine concern to them and in which there is an intent by the organization members to take action based on the intervention."

In both of these cases – the Quality Circle educational programme for Chinese managers, where the Commercial Cadre of Beijing planned to continue the work I began using educational materials that I provided that were translated into Chinese; and the installation of QCs at Alcan Plate – as the researcher, I worked with members of their organisations over a matter which was of genuine concern to them and in which there was an intent by their organisations' members to take action based on the intervention. In the Chinese case, the intention was for the Commercial Cadre of Beijing to use the management training in QCs as a type of "training for the trainers" to launch QCs across China, with their organisation providing resources. In the manufacturing case, Alcan intended to use both my educational inputs back at the university where their middle managers attended modular management development sessions and my supervisory activity of the project to install a pilot programme of QCs to effect change based on the intervention.

“What’s so special about Quality Circles?”, a journal article with Bernhard Wilpert, was a think piece type article. It was an international, synoptic comparison of QCs with six other participative work organisations. As such it drew on existing literature rather than generating empirical data.

In the publication of both editions of “The Essence of Total Quality Management” a literature search was enhanced with my own role as participant/observer of TQM programmes on a global scale, particularly on IBM’s “Quality Focus on the Business Process” programmes where I worked as a tutor, as a member of IBM’s adjunct faculty at its Quality Institute in New York. From the US base I was able to research IBM’s quality programmes, making field visits to the Indian Subcontinent, the Pacific Rim, Australia, New Zealand and North America, etc. Both quantitative and qualitative company data on IBM’s quality programmes was made available to me for my research and lecturing to IBM senior managers. In addition I collected a wide range of case studies from other sources, including NASA, for the books.

For the research on downsizing-related forms of employee participation I employed a range of methods including, workshops with survivors, focus groups with survivors and leavers, questionnaires, opinion surveys, company employee satisfaction surveys and counselling sessions. I also wrote a case study based on BT and contributed to developing strategies and models for coping with downsizings (Doherty et al., 1996; Sahdev, 2001).

To generalise across all eleven publications, I must admit to a bias towards qualitative research, which I believe can be as strong as quantitative research as long as the trail of evidence is well-established. The methods I have chosen have been influenced by another bias that I have towards research designs which tend towards the interpretive and action-oriented end of the methodological spectrum. In addition to making a contribution to knowledge, I have been concerned with addressing the practical concerns of managers and their organisations to make use of employee participation and democracy at work to best elicit from their workforces a rich diversity of talent and skill and a contribution towards gaining competitive edge.

Chapter 3. A Review of the Historical Context of the Publications on Organisational Participation and Democracy at Work

The Bullock Report (1977) was published in January, four months prior to the publication of “Worker Directors Speak” (May 1977). The report gave a compelling account of the political, social and economic pressures of the times that were building up in the direction of some compulsory form of worker directors on the boards of British companies. The Bullock Committee of Inquiry on Industrial Democracy took as its terms of reference the search for how industrial democracy was going to be extended, not the more open question of whether or not it was a good idea. Bullock echoed from the outset the TUC’s policy document on Industrial Democracy (1974).

Appropriately this part of the synoptic paper begins with a description of the TUC policy. This is then followed by an account of the Labour Government’s support for worker directors and industrial democracy shown through the Bullock inquiry and report. Then there follows a brief account of the business community’s response to the Bullock report. I then briefly discuss the Labour Government reaction to the Bullock report which was to commission another report – a White Paper on Industrial Democracy. I conclude this section of the paper with an account of the European Community’s promotion of organisational participation and democracy at work as part of its social policy.

Position of the TUC on Industrial Democracy.

The TUC’s concept of industrial democracy encompasses the entire spectrum of employee participation through trade union representation. Its policy document on industrial democracy, at the beginning of the document, makes the claim: “Throughout their history trade unions have generated a substantial measure of industrial democracy in this country. All of their activities have served to further this objective. The term industrial democracy cannot be considered outside that context.” Collective bargaining is the vehicle through which the trade unions have sought to jointly regulate public sector and private sector companies. But the TUC acknowledged that many contemporary concerns of its members reside outside the scope of collective bargaining at boardroom level and need to be addressed through new forms of employee participation in decision-making.²

The TUC policy statement with regard to worker directors made the following five important points:

1. Workers’ board level participation must be recognised as a legal right.
2. Selection of worker directors will take place through a single channel of representation – the TUC trade unions.
3. Parity on the board is essential – an equal number of employee representatives and an equal number of shareholder representatives.

² “Industrial Democracy: A Statement of Policy by the Trades Union Congress”, first published July 1974, adopted by Annual Trades Union Congress September 1974, p. 7.

4. The provisions must apply to all companies and organisations with 2,000 or more employees, at least initially.
5. The responsibilities of worker representatives should be analogous rather than identical to those of the shareholders, and their accountability and reporting back to their constituents needs to be safeguarded.

Labour Government's Support for Worker Directors and Industrial Democracy

Many observers of the political and economic scene in the mid-1970s believed that the Labour Government's advocacy of the TUC's positive position on Worker Directors and other forms of democracy at work was a reward for the TUC's support of the Government's incomes policy. (Elliott, 1978). Whatever the relationship between the two events, the Bullock Report used the TUC policy as a starting point in its terms of reference.

“Accepting the need for a radical extension of industrial democracy in the control of companies by means of representation on boards of directors, and accepting the essential role of trade union organisation in this process, to consider how such an extension can best be achieved, taking into account in particular the proposals of the Trades Union Congress report on industrial democracy as well as experience in Britain, the EEC and other countries. Having regard to the interests of the national economy, employees, investors and consumers, to analyse the implications of such representation for the efficient management of companies and for company law.”³

Opponents of the Bullock Report continually referred to these terms of reference as “loaded terms of reference” (CBI, 1977) and were highly critical of beginning the investigation not with the question whether industrial democracy should be expanded, but rather how it should be done, and what new forms it should take including worker directors. These opponents were also critical of the central role the trade unions were to play in the expansion of industrial democracy and conjured up images of shop stewards controlling board meetings

The composition of the committee also reflected a trade union bias. It contained Sir Alan Bullock, (who became Lord Bullock), Master of St. Catherine's College, Oxford. As a historian, Bullock saw the advent of worker directors legislation as a historic inevitability that he wanted to facilitate. Professor George Bain, Director of the Social Science Research Council (SSRC) Industrial Relations Research Unit, University of Warwick, brought to the committee his great experience with trade unions and his belief that worker directors could help foster better collective bargaining. (Elliott, 1978)

Four more members of the committee were in the trade union camp, including trade union leaders Jack Jones, General Secretary of the Transport and General Workers' Union

³ Lord Bullock, Chairman (1977) “Report of the Committee of Inquiry on Industrial Democracy” Department of Labour, HMSO, Cmnd. 6706 p. v.

and Clive Jenkins, General Secretary of the Association of Scientific, Technical and Managerial Staffs, (ASTMS), a white collar union, Professor K.W. Wedderburn, Cassel Professor of Commercial Law in the University of London (London School of Economics) and David Lea, Secretary, Economic Department, Trades Union Congress (TUC). These four saw the inquiry as a way of extending worker power through the trade union structure, although they were not in agreement on the role of worker directors in the extension of that power. They found an ally in N. S. Wilson, a City solicitor appointed to the committee, who was an advisor to the Department of Trade on company law. (Elliott, 1978)

John Methven, Director-General of Fair Trading, left the committee midway, to become Director-General of the Confederation of British Industry (CBI). There were three representatives of British industry on the committee: N.P. Biggs, Chairman of Williams & Glyn's Bank Ltd., was the former chairman of Esso Petroleum Co.; Sir Jack Callard, former chairman of Imperial Chemical Industries Ltd, became chairman of British Home Stores on 30 June, 1976, halfway through the inquiry; and Barrie Heath, Chairman of Guest, Keen and Nettlefolds Ltd. Towards the end of the 12 month inquiry, these business community representatives split from the main committee and issued a minority report that dissented formally from the radical proposals of the Bullock Report.

The Bullock Report also advocated a connection between the TUC's industrial strategy and the introduction of worker directors on the company boards of British industry. The Bullock inquiry examined the necessity of the government, management and the trade unions to create concerted action whereby they develop a tripartite industrial strategy. The Report said: "Trade union involvement is seen as fundamental to the strategy, not simply because such involvement is necessary to forestall negative resistance to change, but also because employees through their trade unions have a positive role to play in combating industrial stagnation and in stimulating much needed changes in industrial structure and performance. This tripartite industrial strategy is likely to act as a catalyst to the further development of joint regulation of forward planning decisions at company level. ... At the same time the emphasis of the industrial strategy on union involvement in company level planning, together with new concepts like planning agreements, are creating new pressures for the extension of joint regulation to higher levels of company decision-making. Such pressures inevitably raise the question whether existing institutions can be developed to provide for employee involvement at this level or whether new institutions are needed. This is one reason, together with other pressures for change, ...why recently the debate has extended to encompass the idea of employee representation on company boards responsible for the making of strategic decisions. The development of participation at national and local level has left a gap at company level, which some would argue can only be filled by employee representation on the company board. This is the TUC's position stated clearly in its report on industrial democracy."⁴

⁴ Lord Bullock, Chairman (1977) "Report of the Committee of Inquiry on Industrial Democracy" Department of Labour, HMSO, Cmnd. 6707 pp. 22-24.

The Bullock Committee held hearings for a year and collected testimony from major British companies. The committee made field study trips to Sweden and West Germany to study industrial democracy systems and worker directors. Although mention was made of the British Steel Corporation's experiment in their report, no one on the committee sought the views of the 18 BSC worker directors, to their irritation over being excluded. (The research with the 18 BSC worker directors that I conducted began while the Bullock inquiry was underway and was published four months after the report was presented to Parliament. During their inquiry, the committee commissioned two analyses of the experience of Industrial Democracy in Europe from academics Eric Batstone and P. L. Davies. (Batstone & Davis, 1976))⁵

Batstone in this study asked the questions: "Whether collective bargaining is seen as the sole form of worker influence upon company plans or whether worker directors are also seen as relevant rests upon two considerations. The first is whether board representation can provide substantive gains which could not be achieved by other means; here we have suggested that there may be a marginal advantage from a strong worker director scheme. The second question relates to the more general nature of collective bargaining as compared to board representation." Batstone then contrast the role of collective bargaining where the unions recognise management's right to agree or disagree with them and thereby legitimates managerial authority even while attempting to restrict it; with a worker director scheme that would "begin to change the formal authority structure within the enterprise." He saw value symbolically in the new role of workers on company boards, but warned against the uncertainties inherent in exercising that role. In the end, he wanted that right for workers to be represented on boards recognised but the use of that same right placed firmly in the hands of the workers and their union representatives. (Batstone & Davis(1976, p. 42),

The Bullock Report called for the restructuring of British industry's boards with a unique model that became called 2X + Y Bullock model. The committee's majority report recommended a single tier board with an equal number of representatives from the management and an equal number of representatives from the trade unions (hence the shorthand formula was 2X to signify an equal number of members from management/shareholders on the board with the numbers of members from the workers/trade unions.) Together these two groups of board members elect an odd number of board directors from outside the company (the "Y" factor). The worker representatives on the Bullock boards were to arrive there from a single channel of representation – the TUC affiliated trade unions. The enabling legislation that set the process of the 2X + Y model in motion was a ballot at the workplace where employees by a simple majority voted for it. If the workers voted against the idea, it simply did not happen.

⁵ Batsone, E. and Davies, P.L. (1976) Industrial Democracy: European Experience, two reports prepared for the Industrial Democracy Committee, HMSO, London.

In a summing up statement the Bullock report concluded that Britain's economic problems were the result of a failure to use the energies and skills of its workers. "It is our belief that the way to release those energies, to provide greater satisfaction in the workplace, and to assist in raising the level of productivity and efficiency in British industry – and with it the living standards of the nation – is not by recommendation or exhortation but by putting the relationship between capital and labour on to a new basis which will involve not just management but the whole of the workforce in sharing responsibility for the success and profitability of the enterprise. Such a change in the industrial outlook and atmosphere will only come about, however, as a result of giving the representatives of the employees a real, and not a sham or token, share in making the strategic decisions about the future of an enterprise which in the past have been reserved to management and the representatives of shareholders." (p.160)

As a historian, Lord Bullock understandably at the close of his report drew a powerful historical analogy by drawing attention to the parallels between political and industrial democracy. The shifts in economic power to the working class and the middle class in the 19th century triggered an extension of suffrage to these new players in Britain's commercial life. Those who opposed giving more people the right to vote expressed fears that the constitution would be subverted and society would fall apart. But in reality the change brought about greater stability and prosperity. Similarly by granting a greater measure of industrial democracy to worker representatives on the boards of companies, Bullock, an eminent historian, argued we would benefit greatly from worker participation in the governance of companies. The results could be as beneficial to the country as the extension of suffrage in the 19th century.⁶

The Business Community's Response to the Bullock Report

The Federation of British Industries in 1919 called for greater participation of the workforce in decision-making. They said: "Workers in every industry should be given the fullest possible voice in the conditions under which they are employed." It was an aspiration that took more than fifty years to mobilize. By then the Confederation of British Industry (CBI) had greatly modified its stance to lead its members in opposing the perceived threat of worker directors.

In December 1976, several weeks before the Bullock report was published in January 1977, the three disgruntled members of the Bullock committee from industry leaked to the press a minority report that they had authored. It called for a two-tier board structure with a supervisory board containing a 1/3 representation from management, 1/3 from the shareholder representatives and 1/3 from the employees, elected freely to the board from the general body of employees (not through a single trade union channel). The recommendations in their minority report were totally voluntary, it had no statutory enforcement. According to Elliott, 1978 (p. 238), "the basic aim of the industrialists' minority report was to design a system of worker directors that would give the least

⁶ Bullock, *ibid*, p. 162

possible power over management decision-making to employees in general and trade union representatives in particular, while encouraging participation below board level.” By releasing their report early, the minority report stole a march on the majority report, attracting huge press coverage in December. It gave the opposition forces to Bullock’s report, time to line up their forces against the Bullock report’s majority recommendations to make a pre-emptive strike in the public arena. These opposition forces included the Confederation of British Industries (CBI), the Institute of Directors (IOD) and many British blue chip companies that had already registered their objections to worker directors in testimony before the Bullock Committee of Inquiry. Mr. Jan Hildreth, Director-General of the Institute of Directors, said: “The Bullock Committee’s proposals are irrelevant, dangerous and have about as much justification as the Emperor Caligula’s idea of making his horse a consul.”

“There can be few reports prepared for a government by men eminent in their own fields that received such a hostile response as the Bullock Report”, was the way Elliott (1978) summed up the reaction the report produced. The business community attacked the report from all quarters with the full weight of its institutions, seeing it as a trade union grab for power in the boardroom. The Labour Government seemed embarrassed by the report’s practical recommendations in the restructuring of British industry whilst supporting the ideology behind it that squared with its own 1974 general election manifesto. The trade unions were still split over worker directors and did not want to be forced into such a change by legislation. Some trade unionists saw the report as Jack Jones trying to force their hand in the matter to accept worker directors.

What seemed inevitable a few months ago – having worker directors in some form or other – now seem unthinkable. The tipping point (Gladwell, 2000) had been reached in the public debate with the publication of the Bullock majority report. Bullock’s radical recommendations for the restructuring of British industry were rejected by business, by half of the major trade unions, and by the public still angry with high profile, trade union strikes during what the press referred to as “the winter of discontent”. The business community specifically, and the public in general, made it clear that they were not ready for such a redistribution of power to the workers. Within days of the Bullock proposals being made, the media was mobilised against the report. For example, the Investors’ Chronicle published a survey on the 25th February, 1977, that it had conducted, that estimated a total of between 1000 and 1600 directors would lose their jobs because of Bullock or that the boards of the companies involved in the restructuring would have to grow from the average size of eleven directors to the unmanageable size of nineteen to accommodate the worker directors on their boards. Membership in the CBI, which carried the opposition to Bullock in the public forum, swelled to record numbers as the battle lines were drawn.

The Labour Government’s Response to Bullock

The Bullock Report’s recommendations were deemed too radical by even the Labour Government who took no action on the Report’s suggestion of a fundamental restructuring of the nation’s boardrooms. The Labour Government instead waited a year during which

they issued a White Paper on Industrial Democracy in May 1978, a year before losing power to the Conservative Party in May 1979.

The White Paper on Industrial Democracy stated: “In a democratic society, democracy does not stop at the factory gate or the office door. We spend a large part of our lives at work and our skills and energies in industry. There is growing recognition that those of us who do so should be able to participate in decisions which can vitally affect our working lives and our jobs. This development is no longer a question of “if” but “when and how”. Industrial democracy in this White Paper stands for the means by which employees at every level may have a real share in the decisions within their company or firm. And therefore a share in the responsibility for making it a success. The objective is positive partnership between management and workers, rather than defensive co-existence.” Just when these introductory remarks seem to veer in the direction of a unitary frame of reference of industrial relations, the authors cite the essential role of the trade unions and pull the discussion back to pluralism.

“Through their trade unions employees play an increasingly active part in the affairs of their companies. Legislation exists to protect people from unfair dismissal, bad conditions and exploitation. But our industrial relations are still marked by conflict. Some of the conflict is inevitable, even healthy. People in industry have different interests and differ about objectives and how they are to be achieved. But part of the conflict is due to poor communications, lack of information and lack of trust. One way to change this is to create a framework for employees and their representatives to join in those corporate decisions that affect them and to encourage them to do so. Where decisions are mutually agreed both sides of industry must then share responsibility for them. Such shared responsibility will improve the efficiency of British industry and open up a range of new and creative ideas that can greatly benefit this country.”

“White Paper on Industrial Democracy”, (1978) Labour Government, HMSO, May, p. 1.

The White Paper’s main recommendations were:

- All employees in companies with over 500 employees, will enjoy a statutory right to discuss major proposals affecting them, if the company does not make voluntary arrangements for them to do so.
- Legislation will provide for a two-tier board structure, but it will be optional.
- Where companies employ 2,000 or more employees, they will have a statutory right to employee representatives on a policy making board, if voluntary arrangements are not set up.
- These representative seats may initially be up to 1/3 of the total seats on the policy board.

- The first step towards this mechanism is the establishment of a joint representative committee which has to be in operation for 3–4 years before the other provisions are possible.
- Joint representation committees (JRCs), made up of lay representatives of recognised independent trade unions, shall be established. These JRCs will have a statutory right to discuss company strategy or to have representatives on a policy board by requesting a ballot of all employees.
- The selection of board representatives shall be made through the JRCs – that is through trade union channels.
- Extensive training shall be provided for these new activities.
- To offer advice and conciliation and to supervise the smooth implementation of this legislation, an Industrial Democracy Commission may be established.
- All company directors shall have identical legal responsibilities.

The Labour Party, meanwhile, maintain a commitment to industrial democracy in policy at least on paper as can be see from its strategy document on social justice: “The tradition of social partnership is reflected in the European Union’s Social Chapter, which sets out the principles of a basic core of workers’ rights and entrenches partnership in political and industrial governance. The Social Chapter’s objective of improved communication and consultation between employers and their staff should be welcomed and not rejected. But giving workers a say in their workplace is not simply a mechanism for productively integrating capital and labour; it is also a democratic imperative. ‘Industrial democracy’ – empowering workers – is often neglected in the preoccupation with ‘governmental democracy’. But the firm is an important polity in itself. Turnout in elections to Works Councils in Germany regularly tops 90 per cent. The right to a say in the running of an enterprise to which a worker contributes seems to us to be essential.” Social Justice: Strategies for National Renewal (1994). The Report of the Commission on Social Justice from the British Labour Party, p. 18.

The European Community and Organisational Participation and Democracy at work: Social Policy

Throughout the 1970s, while Britain was debating industrial democracy, pressures were mounting from social movements and some sectors of organised labour to create a more participative society in which workers exercised greater decision-making power. The quest was for a more equitable distribution of influence and power in organisations, which in turn would redound to greater employee satisfaction and self-realisation. National frameworks for industrial democracy were created by nation states, developing countries and the European Economic Community (EEC). At the time the Bullock Report was investigating the reasons for expanding industrial democracy in Britain, eight of her neighbours in Western Europe had schemes in operation in which there were representatives of the workers on company boards.

In its draft Fifth Directive on the harmonisation of company law across the community, the EEC called for an expansion of industrial democracy and suggested the German model of Co-determination (Mitbestimmung) which included worker directors on the supervisory boards of all companies with 2,000 or more employees. The ratio was one-third from the shareholders, one-third from the management and one-third from the employees in all industries except coal, and iron and steel. In these two industries – coal, and iron and steel – the ratio was 50:50. It appeared to be parity, but in the case of deadlocks on issues, the shareholder representatives on the board were favoured to have their way, as the chairman always came from their numbers and held the tie-breaking vote. Changes in German legislation in 1975 strengthened co-determination. The statutory legislation was extended to all companies in every industry with 200 or more employees and established a 50:50 ratio for board seats on all supervisory boards between workers and management/shareholders.

The Bullock committee of inquiry had visited Bonn in Germany to see first hand the workings of Co-determination and to hear from experts on the matter there, including the Chancellor Dr. Helmut Schmidt and the then Prime Minister, James Callaghan (who was also in Bonn visiting Chancellor Schmidt) on 30 June, 1976. Dr. Schmidt assured the Bullock committee members that installing worker directors in Britain would show the beginning of a new era and attract foreign investment. “Such a view was implicit in the remarks made to us during our visit to Germany by the Federal Chancellor, Dr. Helmut Schmidt, among others, who expressed the belief that the implementation of employee representatives on company boards would have a positive influence on the whole British economy and would not be inimical to foreign investments in the UK.” (Bullock Report, 1977)

Whilst a measure of industrial democracy has always been obtained through trade union activities and specifically through collective bargaining, the concept is much wider and includes worker directors at the high end of the spectrum, an institution supported by the EEC. The EEC in its draft Fifth Directive on the Harmonization of Company Law (1972), referred to the democratic imperative which it defined as people having more involvement in decisions that affect them in the social, political and economic order. This right to the democratic imperative exists even when it is used by people to oppose changes that they perceive to be against their own interests and fight rearguard actions against those changes.⁷

Later in 1975, the EEC published a “green paper” entitled: “Employee Participation and Company Structure”, advocating greater employee participation throughout its member states and describing the existing formal structures for industrial democracy then in use in each of the member states. At the outset of that document, the EEC “Defined as the various ways in which employed persons influence the decisions of the enterprises for which they work, employee participation is a political, legal or social reality throughout the

⁷ Presented to the Commission to the Council in Oct. 1972, Bulletin of the European Communities, supplement 10/72.

Community.” It then cited its reasons – mainly to do with harmonisation of company law throughout the Community – for getting involved in the issue instead of letting each country develop its own institutions on its own.

The EEU argued: “If progress is to be made towards a European Community in the real sense of the words, a common market for companies is an essential part of the basic structure which must be created. The corporation with limited liability and a share capital is the typical form adopted by the majority of the Community’s most important industrial and commercial enterprises. They have become the principal buyers and sellers of goods, the major borrowers and lenders of capital, and the most significant developers and users of new technology. They are the main producers of wealth and, as employers, they have an immediate impact on the lives of large numbers of the Community’s citizens. In sum, they are institutions of strategic importance in relation to the economic and social systems of the Community.

“At the present time, these companies are incorporated under the separate laws of the nine Member States. There are substantial differences between these national laws, relating, in particular, to the internal structure of companies, the powers of directors, the rights of shareholders and of the employees. This situation constitutes a real barrier to cross-frontier activities, both for those who might deal with a company and for the companies themselves.”

The extensive, “green paper” describes the main approaches to employee participation under four discrete headings:

- negotiations of collective agreements,
- representative institutions which are informed, consulted and approve certain measures,
- participation in company decision-making bodies, and
- share participation

Bulletin of the European Communities, (1975) “Employee participation and company structure” (supplement 8/75) Commission of the European Communities p. 7:

According to the “green paper” there have been evolutions towards greater industrial democracy gathering momentum for some time in the member states. The document list two main reasons for this acceleration towards more organisational participation and democracy at work:

1. “The first evolution is the increasing recognition being given to the democratic imperative that those who will be substantially affected by decisions made by social and political institutions must be involved in the making of those decisions. In particular, employees are increasingly seen to have interests in the functioning of enterprises which can be as substantial as those of shareholders, and sometimes more so. Employees not only

derive their income from enterprises which employ them, but they devote a large proportion of their daily lives to the enterprise. Decisions taken by or in the enterprise can have a substantial effect on their economic circumstances, both immediately and in the longer term; the satisfaction which they derive from work; their health and physical condition; the time and energy which they can devote to their families and to activities other than work; and even their sense of dignity and autonomy as human beings. Accordingly, continuing consideration is being given to the problem of how and to what extent employees should be able to influence the decisions of enterprises which employ them.”

2. “The second is a growing awareness of the need for institutions, which can respond effectively to the need for change. This awareness is based upon the perception that the present era is one characterized by change. And that this feature may well become more pronounced in years to come.”

In opposing the EEU’s Draft Fifth Directive, the Institute of Directors (IOD) took a position that there is no case for coercing companies into having statutory systems for employee involvement and worker directors on company boards in the UK. (Hutchinson 1980)⁸ The IOD research report said: “The Commission’s proposals are misguided for three main reasons:

- they are based on a fundamental misconception of the nature and role of public companies
- they take no account of the proper function of boards of directors as understood in the UK
- they confuse the problems of company structure with the equally important but quite different issue of an employee’s rights to participate in decisions affecting his future.”

Although in the UK the EEU made no headway with worker directors, in other areas of organisational participation and democracy at work, the European Community has made much progress. Under the Human Rights Act (1998), most of the substantive provisions of the European Convention of Human Rights have been turned into UK law. The enactment of one of the most wide-sweeping of these directives relating to employee participation being the European Information and Consultation Directive 2002 (mentioned in the introduction to this paper and in Appendix A) and the EU Directive on European Works Councils. The adoption of the EU Directives flows from the Labour Government’s signing the EU Social Chapter of the Maastricht Treaty in 1997 shortly after coming to power, thereby cancelling the Conservative Government’s “opt-out” decision. (Blyton & Turnbull, 2004, p. 199 & 373).

⁸ Hutchinson, A. (1980) “The EEC Fifth Directive – A Trojan Bullock”, London: Institute of Directors, July, p. 4.

Chapter 4 Literature review: Organisational Participation and Democracy at Work: 1974- 2002

“Looking back to the end of the 1960s ... is rather like observing another world. A significant indication of the changes that have taken place over the last 15 years is that ‘participation’, the rallying call of a wide variety of social movements in most western countries in the late 1960s and early 1970s, is now rarely heard as a popular slogan.” (Pateman, 1983) Admittedly many of the publications submitted in this synoptic paper are part of that lost, other world.

This particular exposition examines publications issued during the last 26 years from 1974 to 2000 on the topic of organisational participation or democracy at work. This part of the synoptic paper will start with a variety of definitions of organisational participation and then give a brief review of the participation literature to show where my publications fit into the participation literature and to indicate the context of their contribution. One could argue for an earlier starting date for such an investigation, as early as 1897, a date that coincides with the landmark publication of “Industrial Democracy” by Sidney and Beatrice Webb, a two-volume work that sets out the early understanding of the concept from a trade union perspective. The view, that workers should participate in the management of factories and offices in which they work, has been a persistent theme in western thought for over a century before my starting date for this review. (Blumberg, 1968, 1971) But I have chosen the much later date – 1974 – to coincide with my own involvement with the topic. 1974 is also the year the TUC’s policy statement, “Industrial Democracy” was published and that gave powerful momentum to the debate. It defined industrial democracy as: “the achievement by workpeople collectively of a greater degree of control over their work situation” and called for enabling legislation to provide for worker directors wherever a simple majority of employees voted to have them.

Definitions of Organisational Participation and Industrial Democracy.

For the purpose of this synoptic paper, I define participation broadly as any form of interaction between managers and workers or their representatives that gives employees some genuine share in decision-making in the enterprise. As figure 1 below illustrates, there are two forms of such employee participation: 1) direct participation that exists at the job level and involves employees having more say about their work directly. According to Lammers (1967) “Direct participation ...entails that the subordinate participants speak for themselves about work or matters related to work; in general aims, rules and means are not codified and external influences are normally absent.” Examples include job enrichment, job enlargement, job rotation, opinion surveys, briefing groups, work groups, autonomous work teams, Quality Circles, and quality improvement teams. 2) indirect participation that exists at the company level and is actioned through representatives. As Lammers (1967) puts it: “Indirect participation usually implies that the subordinate participants speak for their constituents with top management about the general policy of the organization,

procedures are formalized and outside agencies often do influence to some extent what goes on.” Examples include consultation, joint consultation, collective bargaining, employee representatives on safety committees, and worker directors. See figure 1 below. Figure 1 shows the main actors that are involved in employee participation processes as the State, the Employers or Managers and the Employees and their trade unions. Managerial interventions take place through the managerial hierarchy of structures, cultures and politics. They create both direct and indirect forms of employee participation. Likewise the Trade Union hierarchy operates through structures, cultures and politics to develop systems of direct and indirect forms of employee participation, concentrating on the latter representative forms. Employees are involved in both forms of participation. State interventions occur through labour laws, inquiries, green and white papers and funding contributes to the development of both indirect and direct employee participation.

Figure 1 also illustrates with red dots the forms of participation covered by my research and publications.

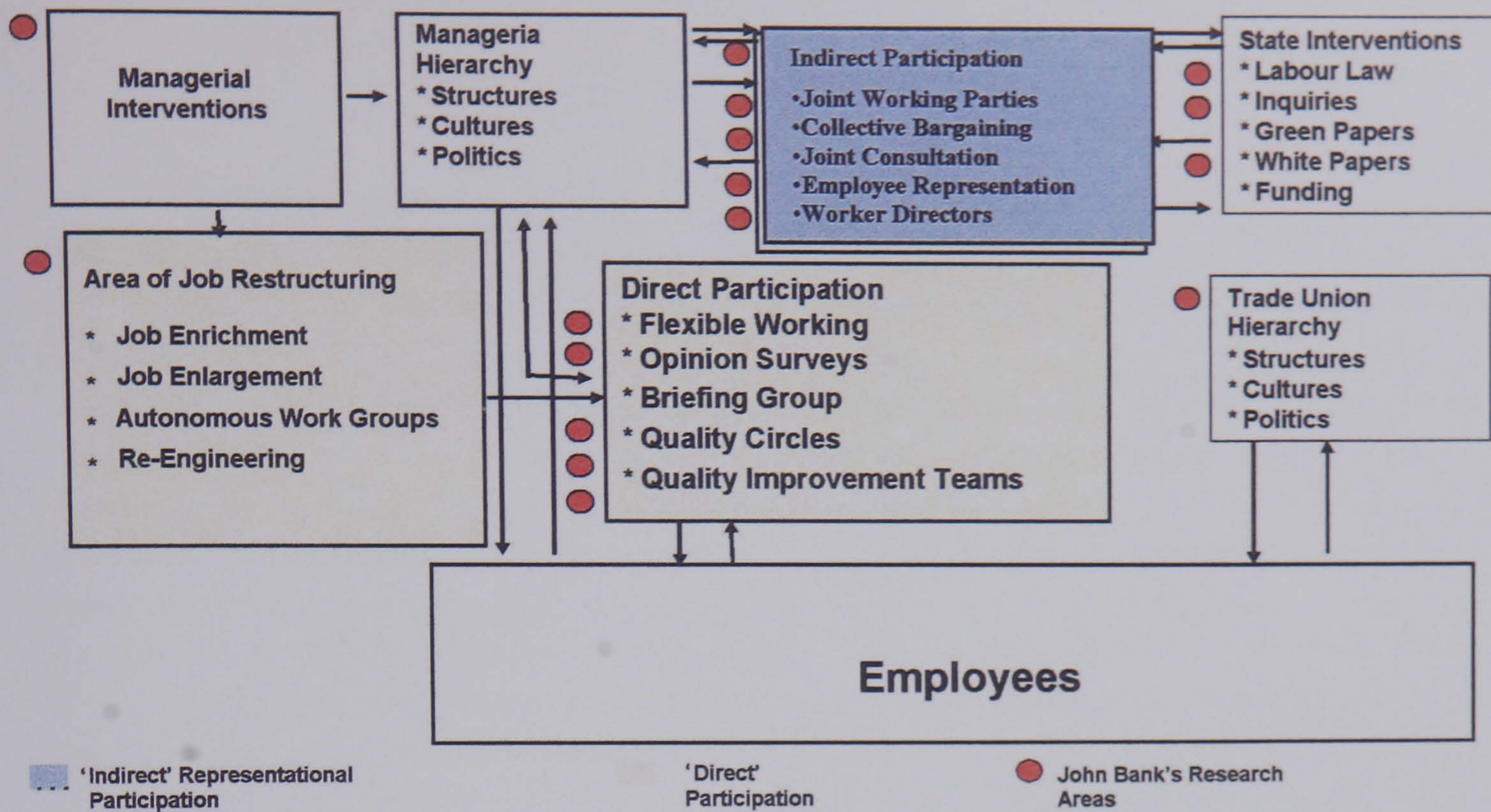


Figure 1 Forms of Direct and Indirect Employee Participation

The terms 'participation' and 'industrial democracy' mean different things to different authors. For some writers the term "industrial democracy" implies a process of exercising election rights in industry similar to what is done in politics. (Pateman, 1970; Batstone, 1976) Taken literally, it would imply that workers had the power to change the "government" in industry as they do in the political sphere. For most researchers, it means that employees have some direct decision-making power within their workplaces. (Tannenbaum, 1966; Blumberg, 1968, 1971; Dachler & Wilpert, 1978) But in reality, the term is often used more loosely to include lesser forms of control and power, including access to information and participative styles of management. (Blumberg, 1968, 1971; Brannen et al., 1976; Batstone, 1976; Crispo, 1978; Russell & Rus, 1991; Heller et al. 1998) There is broad agreement about the constituent elements of industrial democracy and it is often used interchangeably with terms like "worker participation" and "employee involvement" in decision-making. According to the International Institute for Labour Studies, worker participation is "any process whereby workers have a share in the reaching of managerial decisions in the enterprise." (Butteriss, 1971; Sawtell, 1968; Wall & Lischeron, 1977)

Tannenbaum, (1966, p. 85) defined participation from the dimension of control. He defines control as "any process through which any person or group of persons determines what another person or group of persons will do...The formal involvement of members in the exercise of control, usually through the process of decision-making in group meetings, is defined as participation."

Wall & Lischeron (1977) argue that there are three elements essential to the concept of participation, namely influence, interaction and information sharing. They say that: "participation refers to influence in decision-making exercised through a process of interaction between workers and managers and based upon information sharing. The degree to which influence is exerted determines the degree of participation which occurs given that such influence is exerted through a process of interaction and information sharing and is not solely dependent upon coercive power." For them, the highest level of participation occurs where managers and workers exert an equal or balanced influence over the decision-making. The lowest level of participation happens where there is either management control or workers' control. Participation seeks out the middle ground between these two alternatives.

Pateman (1970, 1983) is in agreement. She made a distinction between full, partial and bogus, or pseudo, participation. Participation, for her, is genuine only when "each individual member of a decision-making body has equal power to determine the outcome of decisions." She describes partial participation as that which occurs when two parties have mutual influence, but the right to decide the outcome depends on one of the two parties. No participation takes place outside of these two types. She labels occasions where management just explains to the workers decisions they have already taken as "pseudo participation." For her it is a form of manipulative management.

For Guest & Fatchett (1974, p. 12) participation is "used to refer to those processes whereby subordinates are able to display an upward exertion of control. By subordinate we

mean those who do not have recognized authority in any particular relationship.” These researchers also concerned themselves with the four major objectives of participation. They are:

- increased productivity or efficiency,
- increased worker satisfaction,
- reduced industrial conflict, and
- increased industrial democracy in which some sort of equilibrium is sought between the interests of all the stakeholders in the enterprise and individual alienation is reduced by the very acts of employee involvement.

Influence and control in shared decision-making is common to most definitions of worker participation. French (1960) provided such a definition when he wrote: “Participation refers to a process in which two or more parties influence each other in making certain plans, policies, and decisions. It is restricted to decisions that have future effects on all those making the decision and on those represented by them.” Blumberg (1968, 1971) also provides a good example of such a definition when he writes: “I should like to present a participation typology which had arisen out of codetermination literature in West Germany. (See figure 2) As we move from top to the bottom of this chart, the participation and power of workers increases at the expense of the prerogatives of management. In the initial type, management merely informs the workers of decisions which it has already made or will make on its own. At the other end of this scale, labour has exclusive control over decision-making and management is powerless or nearly so.”

TYPES OF WORKERS' PARTICIPATION ²	
I. <i>Co-operation</i> (Workers influence decisions—except in No. 1 below where this is nominal—but are not responsible for these decisions.)	
	<i>Workers' role</i>
1. Workers have the right to receive information	passive
2. Workers have the right to protest decisions	negative
3. Workers have the right to make suggestions	positive
4. Workers have the right of prior consultation but their decisions are not binding on management	positive
II. <i>Codetermination</i> (Workers control decisions and are responsible for them.)	
1. Workers have the right of veto	negative
(a) Temporary, after which management	
(i) may implement its decisions	passive
(ii) must negotiate with workers	positive
(b) Permanent	
2. Workers have the right of co-decision	positive
3. Workers have the right of decision	positive

Figure 2 The degree of workers participation can be presented in a continuum as in figure one above. (taken from Blumberg, P. (1971) “Industrial Democracy: the Sociology of Participation”, London: Constable, p. 71: 2.5.)

The continuum runs from workers having the passive right to receive information at

one end to workers' control at the other end. Commenting on the radical demand for workers' control, Hyman (1973) observed: "Theories of workers' control, almost defunct for half a century, have in the last few years been revived and elaborated to meet the conditions of large-scale, technically sophisticated industry. In this process a small but increasing number of active trade unionists have played an important part. This is not intellectual accident: the growing demand for workers' control is a natural response to the problems which technological development, in the context of a capitalist economy, creates for organized workers. Ideas of industrial democracy articulate the experiences and aspirations which, however confused and distorted a form, may be seen as underlying workers' day-to-day struggles on the shop floor."

As Sturmthal (1974) said: "By far the most attractive attribute of the term industrial democracy is the infinite variety of meanings that can be read into it. The range is indeed bewildering. It reaches from workers' self-management via consultation and codetermination to collective bargaining and in passing picks up such diverse notions as job enrichment and autonomous work groups."

Roca & Retour (1981) agree with Sturmthal about the "bewildering" aspects of the way participation is presented by academics. They feel that the "multiplicity of existing definitions" of participation is part of the problem and why participation has become in their words "bogged down concepts". However, they concede that: "Nevertheless, in all the definitions there exists a common characteristic that belongs to the core of participatory action. This consists of the capacity to influence, to exercise control, to have power, to be involved or to intervene actively in the decision-making of the organisation. The 'intensity' of any of these core capacities is what defines the degree of participation in the enterprise." In their effort to add clarity to the concepts, Roca and Retour identify six dimensions of participation as:

- the participatory subjects,
- the level of participatory application in the organisational structure,
- the objectives of participation,
- what gives the right to participate,
- the subject matter of participation, and
- the forms of participation.

Walker (1974) wrote: "Workers' participation in management will occur when the persons situated below the apex of the enterprise hierarchy participate in the directive function of it...Participation need not be necessarily cooperative because it can also become conflictive...There exists parallel participation in the case of collective bargaining when workers create their own control organization." Walker (1970) distinguishes four types of industrial democracy:

1. democratization of ownership,

2. democratization of government of the enterprise,
3. democratization of the terms of employment, and
4. democratization of the process of management.

Each separate type has attracted its advocates and opponents. For example, Pope John XXIII (1961) advocated number 4 – democracy of the process of management by shared decision-making, in his encyclical letter, *Mater et Magistra*, p. 20, where he states: “The present demand for workers to have a greater say in the conduct of the firm accords not only with man’s nature, but also with recent progress in the economic, social and political spheres.” Although each of these types of industrial democracy is discussed in my publications, my main concern has been with the democratisation of the process of management in production organisations and an employee voice in decision-making within the enterprise.

Hence I find that my work fits into the framework set out by Heller et al. (1998) who use a very broad definition for their seminal work in participation, defining it as “a process which allows employees to exert some influence over their work.” Bernard Wilpert (1998), a psychologist member of Heller’s team of four, defines participation as “the totality of forms and of intensities...by which individuals, groups, collectively secure their interest through self-determined choices among possible action.” in the context of organised interactions. Wagner and Gooding define participation as “a process in which influence on decision making is shared between hierarchical superiors and their subordinates...” (Wagner & Gooding 1987a: 241) To participate practically means to influence organisational decisions on whatever level one can and on any subject that comes up. (Heller et al. 1998, p. 67.) For the purpose of this synoptic paper, I, too, define participation broadly as any form of interaction between managers and workers and their representatives that gives employees some genuine share in decision-making in the enterprise.

Various concepts underlie the principles of organisational participation or democracy at work. Margaret Butteriss (1971) identifies three major principles. She sees the momentum for increasing participation at work as coming from these three drivers:

- workers who participate in decision-making will be more efficient,
- workers have fundamental, inalienable human rights to participate in decisions that affect them on moral grounds, and
- worker participation in management is conducive to industrial harmony.

Both my book “Worker Directors Speak” (1977) and the chapter “Alienation, Participation and the Worker Director” in the book, “People and Organisations” (1982) support the work of Butteriss and provide further evidence of these three drivers for participation. The worker directors in the British Steel Corporation were steeped in experience in the steel industry, and they had man-management skills from many years as trade union leaders. They brought their competencies and experience to the boardroom

discussions, thereby making the decision-making more efficient. This was true even when the decision-making was difficult for them, as worker representatives, when decisions were about de-manning and steel plant closures.

The second driver for participation – the innate, moral right to participate in decision-making that affects workers – was illustrated explicitly in my article, “Lech Walesa: the Polish Workers’ Revolt.” The moral right for workers to participate in free trade unions is a natural, inalienable right rooted in human nature and natural law, and promoted in social justice literature. The right to free trade unions has been defended in Catholic social teaching in papal encyclicals, see “Rerum Novarum” (1891) Pope Leo XIII, “Quadragesimo Anno” (1931) Pope Pius XI, “Mater et Magistra” (1961) and “Pacem in Terris” (1963) Pope John XXIII, (Gibbons, 1963). Pope John Paul II added to the Catholic Church’s many public statements and teachings insisting on workers’ right to unionise, and specifically supported the creation of Solidarity. Over 90% of the Polish workers that formed Solidarity were Roman Catholic and many practised their Faith openly during the strike at the Lenin Shipyard in Gdansk in public Masses and other religious activities. (Ruane, 1982)

My research showed that a spontaneous trade union movement could successfully challenge a well-established Communist government in the Soviet bloc. Incensed by the government’s raising of food prices in July 1980, Polish workers under Lech Walesa’s leadership at the Lenin Shipyard in Gdansk did so. They went on to challenge corruption, economic mismanagement, the official trade unions and a government that contradicted their own democratic tenets. (Bank, 1981; Ruane, 1982).

Support for Butteriss’s third principle, that worker participation in management is conducive to industrial harmony, is one of the reasons the Industrial Society, a tripartite organisation made up of representatives from business, from the trade unions, and from the government cautiously supported worker involvement and participation. The Industrial Society’s publications included a recommendation for the creation of token worker directors. (Garnett, 1973) The link between participation and industrial harmony is also explicitly supported in all of my publications that range widely through various forms of organisational participation from worker directors to trade union organising and collective bargaining; from Quality Circles to TQM improvement teams, to ad hoc representative groups. Without falling into the trap of seeing the enterprise through a unitary framework (Fox, 1974, pp. 134-37), one can support improving industrial relations through expanding areas of legitimate co-operation between trade unions and management.

The evidence for positive benefits, like industrial harmony, that flow from organisational participation is part of a well documented record. Blumberg (1968, 1971, p. 123) was among the first researchers to make the point. “In this participation literature we have seen tremendous diversity on all sides – diversity in the academic background and theoretical orientation of the researchers, diversity in the conception, design, and execution of the research, diversity in the settings in which this research has taken place, and diversity in the characteristics of the population studied. *There is significance in this diversity. It is*

just this impressive diversity in the participation literature which makes the consistency of the findings, by contrast, even more profound, significant, and valid. There is hardly a study in the entire literature which fails to demonstrate that satisfaction in work is enhanced or that other generally acknowledged beneficial consequences accrue from a genuine increase in workers' decision-making power. Such consistency of findings, I submit, is rare in social research." (Blumberg's emphasis)

The specific topic – industrial democracy – of course, is a constituent element of industrial relations. It is also embedded in sociology, industrial psychology and is part of political science. I examine industrial democracy here mainly in the context of industrial relations. The relationships between people at work – employees, their representatives and employers have always been complex and changing. Studies in industrial relations attempt to chart the changes and understand them. The most ambitious studies, as I shall demonstrate, not only illuminate concepts and behaviours, and process data on the main protagonists in the drama of industrial relations, but attempt to facilitate social changes.

Since industrial relations can be defined in terms of rules governing employment or job regulation, (Flanders & Clegg, 1954, 1970; Clegg, 1977) it is expected that some of those rules will change with the times and be influenced greatly by sociological, political and economic forces. For example, the rise in educational levels over the last decades has increased workers' appetite for and competence in decision-making in the enterprise. (McGregor, 1960; Argyris, 1962; Goldthorpe et al., 1968) Since three separate sets of actors make the rules governing employment to suit their own agendas – the employers/management, the state and the trade unions – there is often a conflict of interest inherent in the system of industrial relations.

Following Dunlop's (1958) seminal work, Craig (1975) sees industrial relations in the context of open systems theory in which industrial relations consists of a set of interrelated parts which operate in an environment. Hence an industrial relations system not only receives its own inputs (within the systems) but also receives inputs from the environment in which it operates. Through a process of transformation, industrial relations produce outputs for the system and release them into the environment subsystems. Craig (1975) defines industrial relations systems as "including a complex of private and public activities, operating in an environment which is concerned with the allocation of rewards to employees for their services, and the conditions under which services are rendered." These activities include the full range of structural arrangements and processes that would encompass tripartite structures such as industrial democracy that involve the state, employers and workers, and their trade unions.

For heuristic purposes, I distinguish a frame of reference that I will use throughout this paper. What frame of reference I use to examine industrial relations is important as it provides the perspective I take. With Alan Fox (1966, 1971, 174) I seek out the closest analogy to the industrial enterprise. Is it, or ought it to be analogous to the team or a family with one central authority and one unified goal – a unitary frame of reference? Or is it a dichotomous frame of reference analogous to two warring camps arrayed against each other

with systemic, irreconcilable conflicts of interest? (Them and us, capital and labour?) (Hyman, 1974, 1975; Ramsay 1983) Or is it most like a miniature democratic State, a coalition of interests of various stakeholders, a pluralistic frame of interests?

In opting for a pluralistic frame of reference, as does Fox (1966, 1971, 1974), I subscribe to a double role for trade unions. They are not only involved in market relations, where they strengthen the worker's position in labour economics, but they are also key to management relations, where they ensure that workers have a voice in determining their own destiny, a role in decision-making. In this regard, the pluralistic frame of reference provides a challenge and a curb to the managerial prerogative. Within this framework, the workforce is seen to have multiple identities and claims on their allegiances and loyalties. Finally the pluralistic frame of reference permits us to see conflict for what it is.

As Fox (1966, 1971, p.12) said: "Like conflict, restrictive practices and resistance to change have to be interpreted by the unitary frame of reference as being due to stupidity, wrongheadedness or out-dated class rancour. Only a pluralistic view can see them for what they are: rational responses by sectional interests to protect employment, stabilise earnings, maintain job status, defend group bargaining power or preserve craft boundaries. The unitary view must condemn them as morally indefensible; the pluralistic view can understand them, and by understanding is in a position to change them."

As Hugh Clegg explained, that reactions to changes in the workplace from all the parties to industrial relations eventually produce substantial reorganisation,. "...industrial relations research has continued to produce results which not only add to our knowledge of the subject but also prompt reassessment of what was once thought to be firmly established." (Clegg, 1979, p. ix)

What is the relationship between collective bargaining and employee participation?

"By the 1880s, when Beatrice Webb coined the term 'collective bargaining', the practice that she identified was already well established." (Edwards et al., 1998) Throughout, I take the view that collective bargaining is a principal form of indirect or representative participation, a view shared by other academics in this field. (Emery & Thorsrud, 1969; Guest & Fatchett, 1974; Fox, 1974; Walker, 1977; Wall & Lischeron, 1977; Marchington, 2005) The EEC green paper on Employee Participation and Company Structure (1975) makes the same point when it says: "The most obvious mode in which employees 'participate' in the conduct of a company's affairs is by collective bargaining through the trade union movement. Traditionally, collective bargaining has been an essentially voluntary process with little reliance being placed on the law except for a few statutes which facilitated or supported voluntary collective bargaining... Collective bargaining in the United Kingdom is in practice a very flexible institution. Both the procedures for bargaining and the scope of collective bargaining are capable of almost limitless variety. It can mean very little participation at all, for example a three yearly national agreement on basic minimum wage rates and other remuneration which is the subject of much supplementation locally. On the other hand, it can mean a great deal of participation."

For the sake of analysis, collective bargaining and representative participation can be viewed as separate systems (Heller et al., 1998, p.104). These are:

- the extent to which the interests of the actors converge or diverge
- in the means adopted for problem-solving
- in the topics themselves.

The impact of collective bargaining in the modern day industrial democracy debate

As the EEC asserts, “collective bargaining also forms the main element in the Trades Union Congress (TUC) programme for industrial democracy, which contemplates the continued development of collective bargaining at many levels of a company’s structure, and also increased scope for collective bargaining agreements themselves.”⁹

Collective bargaining has always been the way most trade union members voluntarily exercise worker participation in decision making. George Thomason, (1976) in critiquing the views of Alan Flanders (1969) cited the three ways in which he distinguished the term, “voluntary principle” in collective bargaining.

1. “It refers to our preference for collective bargaining to state regulation as a method of settling wages and other terms and conditions of employment.” Flanders saw the need to continue with this preference since, as he put it, “collective bargaining in industry is the equivalent and counterpart of democracy in politics”, and because “its extinction would be a denial of freedom of association and representative organization and would put an end to trade unions and employers’ associations”.
2. “It has meant a preference for our own voluntary or non-legalistic type of collective bargaining.” The sanctity of this preference was underscored when the Industrial Relations Act 1971 attempted to make collective agreements “legally binding” contracts, despite the fact that the Act was not able to overturn this strongly-held belief in practice and was soon reversed in the new labour law.
3. “It expressed the deep-seated preference of the bargaining parties for complete autonomy in their relations. They have wanted their bargaining to be free and have accordingly rejected not only intervention by Governments, but any control of their bargaining activities by their own central organizations.”

Flanders took issue with this third way of asserting the “voluntary principle”. It was no longer possible in modern society to have this untrammelled freedom. The planning of

⁹ Employee participation and company structure (1975) Bulletin of the European Congress, July 1974, in “Employee participation and company structure” – ibid pp. 94-95.

productivity, wage and price controls all had to exert some constraints on the degrees of freedom of the bargainers. The only alternative course of action was to return to the market economy of the 19th century, which was not possible. Thomason believes that in this approach Flanders lines himself up with the thinking of the Webbs. He cites Sydney Webb's memorandum to the Report of the Royal Commission on Trade Disputes 1906 when he said: "I cannot accept the assumption underlying the Report, that a system of organized struggles between employers and workmen, leading inevitably now and again to strikes and lockouts – though it is, from the standpoint of the community as a whole, and improvement on individual bargaining – represents the only method, or even a desirable method, by which to settle the conditions of employment...I cannot believe that a civilized community will permanently continue to abandon the adjustment of industrial disputes – and incidentally the regulation of the conditions of life of the mass of its people – to what is, in reality, the arbitrament of private war." (p. 18.)¹⁰

Not all British academics saw the movement towards greater industrial democracy as an inevitable, progressive evolution of the democratic process in industry. Ramsay (1977) advanced his "cycles of control" theory in which he offered evidence of a cyclical pattern of managerial behaviour with regard to participation. He argued that when managers were under threat they responded by making overtures to the workforce enlisting their participation and involvement to get their compliance.

In Ramsay's words (1983) "...participation was seen as an attempt to sustain the status quo, by conciliating and containing disruptive pressures, or by positively extending management power – in the much quoted words of Allan Flanders (1967, p. 32) seeking to 'regain control by sharing it.' This suggested the possibility that management would be drawn to the notion of letting workers 'participate' when the circumstances exerted pressure on them in some way to do so."¹¹

Ramsay argued that as the threat receded, management withdrew the concessions on their control. He traced his cyclical theory of participation from the 19th century to the 1970s, citing historical evidence for it. His theory fitted nicely into his broader Marxist theoretical framework that espoused an irreconcilable conflict between capital and labour. He believed that the momentum for industrial democracy in the 1970s was caused by being in the middle of another of these control cycles. (Ramsay, 1977) Indeed, management at the time was under pressure by a strong trade union movement, with 13 million members in the TUC, and a trade union density of over 50 per cent, (80 per cent or more in the key industries) and a supportive Labour government in power that consulted regularly with trade union leaders. So, there were social, economic and political pressures on management to respond positively to industrial democracy demands. Ramsay (1983) felt

¹⁰ In Thomason, G. (1976). *A textbook of personnel management*: 126. London: Institute of Personnel Management.

¹¹ Ramsay, H (1983). "Evolution or cycle? Worker participation in the 1970s and 1980s". In "Organizational democracy & political processes, C. Crouch and F. Heller, (Eds.) *International yearbook of organizational democracy for the study of participation, co-operation and power*: 203-225. Chichester: John Wiley & Sons.

vindicated and then updated his theory during the first years of the Thatcher government when it was clear that industrial democracy had been swept aside by the Conservatives.

Actually, Ramsay's "control cycles" theory enjoyed great popularity throughout the 1970s and 1980s as a taken-for-granted explanation of the ebb and flow of interest in employee participation. (Marchington 1980; Brannen 1983; Farnham & Pimlott, 1983; Poole 1986; Bougen et al. 1988) But from the mid-1980s the theory came apart. Then trade union power was in freefall and yet a great number of employee participation schemes were thriving. As the former Secretary of the TUC, John Monks admitted: "It is self-evident that the scope of joint regulation has diminished drastically since 1980."¹²

According to the "control cycle" theory, participation should have sharply fallen off as trade union power declined. Ramsay's theory was replaced by the "wave theory". (Ackers et al. 1992; Marchington et al. 1993) The "wave theory" postulated that although management was under no threat from the workforce, employee participation was encouraged and thriving. Arguments to increase management-friendly employee participation were based on organisational outcomes and efficiencies rather than on social justice or humanising the workplace. (Heller et al., 1998)

Marchington (1993) and his teams found that "wave research" showed the importance of managerial relations at organisational level in explaining the ebb and flow of employee participation. There was also often a difference between managerial intentions and the actual practice of employee involvement at the workplace. The forms of industrial democracy initiated by managers may have been the softer forms – sharing, consultation, quality circles, quality improvement teams, and financial participation through profit-sharing – but they were still genuine forms of sharing decision-making power with their employees; they were types of empowerment for the workforce. My own publications are squarely in the Marchington camp in terms of "wave research", eschewing the Ramsay theory. That position puts me in line with other academics who agree with Marchington. As Blyton and Turnbull (2004) sum up the issue: "While for Marchington and Wilkinson (2000) and others, the circumstances giving rise to this latest interest in employee involvement are distinct from earlier periods (which Ramsay identified as characterised by increased labour power and unrest), our own view of the developments over the last two decades draws somewhat closer links between the present and earlier waves of interest in participation. We concur that the 'participation as control' argument places too much emphasis on management's need to secure *control* and gives insufficient consideration to participation as a means of securing active labour co-operation." Blyton & Turnbull (2004) pp. 271-272.

¹² Monks, J. & Hall, M. "EU directive on information and consultation: How will it affect employment relations in the UK?" Discussion Document, Trades Union Congress, <http://www.tuc.org.uk/law/tuc-5229-f0.cfm>.

Does industrial democracy already exist in British industry?

Acknowledging the power of the trade unions, Clegg (1951, 1960, 1976) argued that industrial democracy, in fact, already existed in British industry because the essence of participative democracy for him was the ability to oppose. Not only must there be a powerful opposition that is strong enough to oppose, but that force must be recognised by those in power. The trade unions already formed an opposition that was strong enough to oppose management and was recognised by them as a legitimate opposition force. But the trade unions, in Clegg's view, were an opposition that could never become a government. For the unions to become a party to managerial decision-making, in his view, would compromise their autonomy and their own reason for being. Moreover, trade union leaders, again in Clegg's view, did not have the technical competences required to run industry. As Clegg put it: "Trade unions have not the technical, administrative, and commercial experiences to run a large-scale industry."¹³

Clegg's belief, that we already had industrial democracy through the power of collective bargaining and that to involve union leaders as worker directors in any industry was to compromise the union's right to oppose, was shared by about half of the large trade unions. These unions argued for an expansion of collective bargaining to include company strategies, product mix, location of new plant, etc, rather than forcing entry into the boardrooms through worker directors, which they feared would compromise the trade union's adversarial role and blur the lines between their members' interests and the company's focus on profit-taking.

At both a theoretical level and a practical level in this paper I agree with Blumberg's harsh criticism of Clegg's view and take issue with Clegg. I subscribe to the theory that the essence of participative democracy is not the ability to oppose and the recognition of that ability by those in power, but rather accountability. (Blumberg, 1968, 1971) When a party is in power in a modern democracy, the opposition has the opportunity through elections to call on the government to give an account of its stewardship – to account for its term in office. The electorate then decides whether or not the majority of their numbers is satisfied by the rendering of accounts given by those in office and either gives them another term or votes in new representatives to govern them. Consequently at the heart of participative democracy is accountability.

If participative democracy is emulated in industrial democracy, a parallel need for accountability should hold with managers, workers and their trade unions. Yet in industry, management often shows little accountability to its workforce and its trade unions. Workers often put their own self-interests ahead of any other considerations at times – striking as a first response not a last resort. And the trade unions themselves are hardly accountable to the management and sometime fail to be accountable to their own membership. A recent example of this lack of accountability from management occurred

¹³ As quoted in Blumberg, (1968) "Industrial democracy: The sociology of participation". London: Blackwells, p. 5.

when James Dyson unilaterally decided to move his vacuum cleaner business from its factory at Dyson Technology in Malmesbury, Wiltshire to Malaysia in an attempt to lower labour costs in order to enter the American market. The fact that his British workers had produced a quality, innovative vacuum cleaner that beat the competition against all odds, counted for nothing as they watched their jobs being exported, as Dyson went on to produce washing machines and to design other white goods products. There was no consultation over this major decision, affecting as it did, the livelihood of about 800 workers who were instantly out of a job. The fact that these same workers created the economic power base for Dyson in producing quality vacuum cleaners that captured over three-quarters of the British market for vacuum cleaners in a few years apparently did not figure in James Dyson's decision to export their jobs to the Pacific Rim. (Kakabadse et alia, 2004, pp. 8-9).

Neither, though, are trade unions always very accountable to employers. When a trade union is faced with mergers and national issues affecting its survival, it can engage in actions actually harmful to the employers it deals with and even, at times, contrary to the interests of the union's specific memberships. In the 1970s the Engineers Union embarked on first a one-day-a-week strike and later a two-day-a-week strike across the entire sector in pursuit of its national goals of securing a shorter working week. The strikes wreaked havoc on the industry and on individual firms and punished pockets of its membership. Knowing how harmful the strikes they organised could be for individual companies and their workforces, the Engineers Union gave dispensations from the strike action to certain companies; others were denied it. For their part, led by their trade unions, workers strike often to protect restrictive practices, as some judge to have occurred in the recent strikes in the fire service when the Fire Brigades Union (FBU) tabled a claim for a 40 per cent rise in earning in 2002-2003 dispute. Behind the pay issue which was a genuine grievance, lay the fire fighters' reluctance to change long-established work arrangements and conditions of service. (Blyton & Trunbull, 2004, 317-25).

It was an unusual exercise of trade union power that is normally utilised for both its members' benefit and the long-term well-being of the industry. Innis Macbeath (1973) remarked that; "The purest absurdity is the assertion that trade union power prevents the operation of a free market in the public interest, and that trade unions, being accountable to no one but their members, become vehicles for pandering to their members' greed and desire to do ever less work for greater reward." Macbeath goes on to argue that managers are after a similar ratio of reward to effort. "...as good an index of managerial efficiency as any is putting together these resources – materials, money and workers' talents – as effectively as possible, which means generating the greatest additional value for the least possible effort." ¹⁴

The issue of workers on the board was abruptly halted at the start of the 17 years of Conservative rule in 1979. James Prior, as employment minister, took the item off the industrial agenda claiming that "The trade unions had too much power; they exercised that

¹⁴ Macbeath, I. (1973). *Cloth cap and after*: 154-155. London: George Allen and Unwin.

power in a monopoly way which enabled them to push up wages without pushing up productivity.” (Brown, 2005, p. 87)

As the labour historian, Kenneth D. Brown commented: “The electorate was also convinced... Three-quarters of the voters believed that excessive union power was the main issue facing the new administration, and there followed a spate of measures designed to curb it. Secondary strikes were barred, unions made liable for damages. The closed shop abolished, and secret ballots required to support strike decisions.” (Brown, 2005)

Direct employee participation and job redesigning to diminish worker alienation

Most direct participation programmes aim to make work more meaningful and satisfying. (Mumford, 1972) In the car industry, for example, instead of stifling car workers with assembly line activities, through participative programmes workers were organised into autonomous teams where they were asked to put together an entire engine, the front-end assembly or some other significant unit that they could identify as meaningful work. Scandinavian experiments with autonomous work groups at Volvo (Kalmar and Uddevalla plants) (Engstrom et al., 1996) and Saab aimed at identifying the worker more closely with the product to reduce shop floor alienation and produce better cars in the 1970's. Increasing job satisfaction is at the heart of many Swedish experiments in job redesign in car manufacturing aimed at increasing worker satisfaction and reducing alienation. Job Reform In Sweden: Conclusions from 500 Shop Floor Projects (1975) by the Swedish Employers' Confederation captures the empirical data.

As discussed in my work “Alienation, Participation and the Worker Director”, the Volvo plant in Kalmar, Sweden was specifically built on a greenfield site to facilitate teamworking. It was constructed in a hexagon shape so that instead of an air hangar-type structure with seemingly endless production lines, one finds a series of human-scale workshops with interlocking hexagons.. There is no assembly line and when the body shells arrive from Gotenberg for assembly, each one is assigned to a mobile platform or carrier where it remains until it is a fully built-up car. The platforms or carriers are moved about the plant by remote control devices hand-held by the workers to various autonomous work teams that contribute a significant assembly to the car. The carriers are cleverly designed to move or rotate the vehicle being worked on to convenient positions and heights to accommodate the worker who controls it with a remote control unit. (The worker is never driven by an assembly line, never forced to work in a dangerous or uncomfortable position.) An overall computer tracks the carriers. The teams can schedule their own time as they want to so long as they meet the overall target of so many finished assemblies per day. With intelligent use of buffer stock, the teams can make use of the rest facilities in each work area that include eating facilities and even saunas. Although it cost 10 per cent more to build the then state-of-the-art plant, instead of the traditional plant originally planned for, (Gyllenhammar, 1977, p.56), within the first year of operation it was immediately paying back the investment as the unit cost per car fell by 8%. The savings had largely to do with less re-working on each vehicle because the autonomous work

groups had delivered a better quality build to the over 2,000 part assemblies for each vehicle.

Peter G. Gyllenhammar, president of Volvo at the time, was responsible for putting together the team which created the radical new design of the plant at Kalmar that included trade union representatives and became a catalyst for radical production changes at Volvo's other plants. He said: "At Kalmar, as well as at our other factories, we have tried to arrange production in a manner that makes for the employees to find meaning and satisfaction in their work. Kalmar is a factory that, without sacrificing efficiency and economic results, enables the employees to work in groups, communicate freely, to carry out job rotation, to vary their rate of work, to feel identification with the product, to feel responsibility for and also be in a position to influence their working environment. When products are made by people who find meaning in their work, it is good for the products, good for the business and good for the people." (Gyllenhammar, 1977) This new approach to building cars was summed up in the advertising tag line: "Volvo – Made by Happy Workers". Similar changes made in the car industry production lines in the USA for Saturn and NUMMI (The General Motors/Toyota joint venture in California) were used in marketing cars built by motivated workers. (Heller et al., 1998)

As borne out in the research of Heller et al. 1998) "Payoffs from the participative process can take a variety of forms: a sense of achievement and autonomy, increased knowledge, increased sense of control, increased competence, or just social satisfaction gained from working with other people. The results of participation may also provide pay-offs: more interesting jobs, easier work, or increased job security."

"In the case of NUMMI, the rewards from participation included increased job security, the production of a high-quality product, the elimination of waste motions and perhaps the social satisfaction derived from the time spent each week in participative activities – short as it was. ...The fact that NUMMI's jobs were participatively designed may have made them more motivating (or at least less distasteful) than if their design was imposed." (Heller et al., 1998, pp. 199-200)

Following on from the success of the Swedish experiments, Ulbo de Sitter (1998) and his colleagues developed the "modern socio-technology" approach that emphasises organisational design and environment. Focus is on the interdependence of operations. The overall operations are organised in a unit managed by a team. The socio-technical team has control of both the production work and the accompanying regulating tasks so that it operates autonomously.

My own research, particularly "Alienation, Participation and the Worker Director" (1982) in A. Kakabadse, *People and Organisations*: 54-77, Gower, concurs with the general conclusions of this vast amount of empirical work that establishes a direct link between employee participation and diminishing alienation at work, whether this is done through direct or indirect forms of participation. As Blumberg (1968, p. 130) observed very early on in the research on participation: "The participating worker is an involved

worker, for his job becomes an extension of himself and by his decisions he is creating his work, modifying and regulating it. As he is more involved in his work, he becomes more committed to it, and, being more committed, he naturally derives more satisfaction from it.”

On the psychological level, Chris Argyris (1957) made the point that organisational participation is in keeping with the psychological needs of mature adults. As a person develops from infancy to mature adulthood, one moves from passivity to activity from dependence to adult independence and control of one's own behaviour, from having a short-time perspective (instant gratification) to taking a longer view, from having a subordinate role in a family and society to having an equal or super-ordinate role in both. Whilst participation at work fostered all of these adult behaviours, the absence of participation or the exercise of traditional forms of authority in enterprises often stripped a person of his or her adult status and could cause them to engage in regressive behaviour. Both the Quality of Work Life in America and the quest for new forms of industrial democracy in Britain advocate employee participation as a way of engaging workers in their work and giving them the responsibility of decision-making that is a hallmark of adulthood.

The conflict over worker directors

The fear that somehow worker directors across British industry would compromise collective bargaining as the preferred mode of organisational participation and democracy at work seemed to the author to be overstated. For one thing boardroom participation by worker representatives in the UK has been a most rare form of indirect participation. A mere handful of worker directors existed in the private sector in fewer than a dozen companies, according to my own investigation for the Sunday Times in the autumn of 1976. Apart from the experiments with it in the British Steel Corporation (BSC), the only other large-scale experiment with workers on corporate boards was in the Post Office. The short-lived worker director experiment in the Post Office between January 1978 and December 1979, was well-researched by academics. (Batstone et al., 1983). Earlier Peter Brannen (1983) drew on his own research (Brannen et al., 1976) and my research to build a case study of the British Steel Corporation worker directors. However, there is no evidence in my work or in that of other researchers that the role of worker directors compromises collective bargaining. They are both indirect or representative forms of participation that co-exist side by side and work independently of each other.

The experiment at BSC ran for a decade. Brannen's own initial research was limited to the first four years of the BSC worker director experiment. That initial scheme was flawed by the fact that the 12 worker directors were asked to give up their trade union offices to become worker directors. The 12 men, three for each of BSC's four boards, had been chosen by the Chairman, Lord Melchett, from a shortlist of candidates supplied by the TUC, drawn up from nominations from individual trade unions in the steel industry. Their roots were in the trade union movement, so asking them to give up their elected offices in

the unions was a mistake and when the requirement was eventually dropped several years later, the men had not alienated themselves from their unions and had no trouble regaining elected trade union posts. They were paid £1,000 each year for the first three-years of the experiment, which hardly made up for the overtime pay they lost through taking on the role. The job description for BSC worker director was sketchy. They were to retain their ordinary jobs when not attending board meetings. They were to keep confidentiality about boardroom discussions and not to speak for the corporation on steel matters without permission of the chairman. They were not to engage in parliamentary political action. The rest of their job description was left for them to improvise. (Brannen, 1983).

In his case study on the BSC worker directors, Brannen (1983) drew extensively on my research making 18 direct quotes from or citations to “Worker Director Speak” in the 18-page chapter How did they use it? Frank A. Heller, the co-editor of “Organisational Democracy and Political Processes, in which Brannen’s chapter appeared, cited my research twice in his introduction to the International Year Book of Organizational Democracy. John Elliott in his book, “Conflict of Cooperation?: The Growth of Industrial Democracy” dedicated 6 pages (169-175) to the BSC worker directors experiment drawing heavily from “Worker Directors Speak.”

Heller et al. (1998, pp. 220-249), in their valediction volume that attempted to summarise their three decades of research into organisational participation and democracy, gave the subtitle to their book: “Myth and Reality”. After recognising his place in the forefront of social scientist thinkers and writers on participation, Heller et al. go on to accuse Emery of also contributing to the myth. Emery argued as early as 1976 that there was empirical “evidence that all forms of productive and learning systems are much more efficient if they are designed to utilize the multiple capabilities of workers.” (Emery, 1976). More than a quarter of a century later, this remains a leading-edge statement. Emery further argued that, irrespective of the technology, all forms of work which require coordination can be more effectively carried out by incorporating a degree of self-management in the work design.” So much for his contributions to the reality of participation which finds agreement among social scientists. But Emery asserted in 1981 that: “the basic theoretical problems of democratizing work have been confronted and have been solved (Emery, 1981: pp. 391-2).” This was a statement made by Emery without empirical evidence to back it up. Certainly one issue that has not been sorted out theoretically or practically is that of worker directors or boardroom participation.

Despite having no empirical evidence on the matter, Emery took a position against worker directors in an article (Emery, 1976), which asserted that the boardroom should not be breached by either worker representatives or customer representatives and should remain the exclusive sanctuary of the shareholders whose interests it promotes. For Emery, participation should only be used lower down in the organisation where it was most effective anyway. It was a position he had taken seven years earlier in 1969 when he studied (with Thorsrud) the German system of Co-determination which has always included worker directors.

What would Emery put in place of worker directors' participation in the boardroom? Emery offered high-minded prescriptions based on the goodwill of the board – a very ad hoc, voluntary approach. His four prescriptions start with an explicit, unequivocal policy statement that the board and the entire management team recognised the “social character of the resources they use”. (This policy needs to be clearly explained to the shareholders.) His second point called on the board to frame, in words, its management philosophy to be observed by everyone in the management team at all levels. His third point for the board was to instruct them to work with local-sector organisations to create suitable societal objectives. And finally he reminded the board that they shared a joint responsibility with management for all actions taken by the company. Such voluntary, goodwill prescriptions depend too much on the Chairman of the Board or the CEO who could change at any moment or be influenced by the outside environment to act against the four prescriptions for short-term gains. (Heller et al. (1998) pp. 220-221.)

What appears to be lacking both in practice and in the literature is a systematic approach to employee participation that integrates participation at all levels in the organisation. At the highest level there would be workers' representatives at board meetings who would be part of the process of instigating participation of frontline workers in job design, something workers want most, where their expertise is critical. (Heller et al. 1979, 1998; Buchanan, 1979; Hackman & Oldham, 1980; Wall and Lischeron, 1977) Too many organisational participation programmes are done in a piecemeal fashion and hence the efficiencies and other benefits of a fully systematic approach are not enjoyed by the company, by management, or by the workers themselves. This is a charge levelled against many organisational participation programmes associated with the quality movement, which I discuss below.

Marchington and Wilkinson (2002) capture the transition from trade union-and-state-led industrial democracy to management-led employee involvement when they write:

“Interest in the subject of employee participation has swung dramatically over the last 30 years. The 1970s model of participation reached its high point with the 1977 Bullock Report on ‘Industrial Democracy’, which addressed the question how workers might be represented at board level. This emerged in a period of strong union bargaining power and the Labour government’s ‘Social Contract’. The Bullock Committee’s approach to industrial participation had several distinctive features. It was partly union-initiated through the Labour Party, and based on collectivist principles that saw trade unions playing a central part in future arrangements. In addition, it was wedded to the general principle of employee rights established on a statutory basis (Akers et al, 1992: 272) In contrast the last 20 years have produced a quite different agenda for participation, retitled ‘employee involvement’ (EI). The context initially was reduced union power under an anti-corporatist Thatcher government, which resisted statutory blueprints and encouraged firms to evolve the arrangements that best suited them.” (Marchington & Wilkinson, 2002, pp. 435 -36)

The authors go on to point out the three differences between the earlier attempts at industrial democracy and the new employee involvement. Whereas the past initiatives were embedded in trade unionism, EI initiatives came from management and were often outside normal industrial relations. EI was also focused on the individual employee and his or her relationship with the employer. Finally EI was inspired by business needs to gain commitment and high-performance from employees, rather than compliance, to help the company achieve competitive advantage. (Marchington & Wilkinson, 2002, p. 436) All three of these characteristic of the new management-led organisational participation initiatives are evident in my subsequent publications that had to do with Quality Circles and Total Quality Management.

Employee participation and empowerment through the quality movement

Employee Involvement today is a feature of most progressive companies and an expectation of most employees. But arriving at this position was a gradual process begun in the 1980s that moved through many different phases including the Quality Circle and Total Quality Management (TQM) phase. There was a convergence between the excellence literature and companies' experiences with Quality Circles and Total Quality Management, and the arrival of Human Resource Management (HRM).

Sewell & Wilkinson (1992, pp. 101-102) took note of the coincidence of aims of the Excellence literature (Peters & Waterman, 1982) and the Quality literature and those of participative HRM. They concluded: "A principal component of TQM, that of ceding a degree of responsibility to the shop floor, resonates strongly with the ideals of HRM. Indeed, the degree of commonality between the TQM and HRM literature is striking – both have been held up as a means of providing job enrichment, with the associated assumption that through giving employees more responsibility, they will become increasingly committed to the organisation. And on the surface, job enrichment may be apparent. Employees work in teams which in themselves are mini-organisations having their own responsibilities to their customers. This can entail job enlargement as the team takes on responsibility for quality. ...Workers are thereby 'empowered', and are given the resources necessary to achieve their goals."

But the authors Sewell and Wilkinson from their own research into the theory and practice of HRM and TQM, go on to agree with Muetzelfedt's idea of "devolutionism" (1989), whereby managers wish to centralise organisational power whilst at the same time co-opt workers into those power relations. "Because it appears to devolve and disperse power throughout the organisation, giving the impression that it contributes to industrial democracy."¹⁵

¹⁵ Sewell, G. and Wilkinson, B. "Empowerment or emasculation? Shopfloor surveillance in a total quality organization." In P. Blyton and P. Turnbull (Eds.) (1992). "Reassessing human resource management":101-102. London: Sage. Op cit Heller et al. p. 12.

Participation and human resources management (HRM)

Human Resources Management became popular in the 1980s in the UK and Europe about a decade after it emerged to replace personnel management in the USA as an umbrella concept for the human factor in organisations. (Storey & Sisson, 1990; Guest, 1990; Blyton & Turnbull, 1992; Sparrow et al., 1994; Heller et al. 1998)

As Blyton & Turnbull (1992) indicated, the concept caught on with academics and managers alike very swiftly in a wide variety of work contexts. “It seems that even the most unsophisticated organisation has issued its statement of “Mission”; has declared commitment to direct communications with its ‘most valued assets’ – its employees; has experimented with quality circles; looked to performance related pay; brushed down its appraisal system; re-considered its selection procedures and declared its commitment to training.” (Storey & Sisson, 1990, 62)

Many of the central practices that came under the HRM umbrella were not new. Most of these practices drew on expanding employee participation at many levels including the grassroots. Although the research for these forms of participation had been done preciously, they were now applied to organisations that were increasingly under competitive forces. Under pressure, managers often applied participation piecemeal.

In Britain, the trade unions were much slower than the Scandinavian trade unions to give their blessing to co-determination forms of participation represented by HRM initiatives promoted by academics and governmental advisers. As late as 1994 the TUC described HRM in some companies as “a slippery concept that means different things to different people” (TUC, 1994: 9) The document, however, overall gave a more positive view of HRM but cautioned that it was often used to reduce jobs and increase efficiencies.¹⁶

The quest for industrial democracy continued under a different guise. In the early 1980s British management searched for ways of increasing its companies’ competitiveness with Japan and other countries. In the first term of the Thatcher government, there was extensive worry about the balance of trade between Britain and its trading partners. New management initiatives were called for by the economic crisis. As Heller et al. (1998) maintain: “Growing international competition and financial adversity have led many companies to experiment with new forms of organization, including participation. Indeed, participation is a key ingredient in management strategies utilizing ‘high commitment’ or ‘high involvement’ policies (eg. Lawler & Mohrman 1985). ...the purpose of these policies is to ‘empower’ employees and develop ‘high-performance’ or ‘transformed’ workplaces.”

Following the lead of American corporations, who found synergy between their own Quality of Working Life programmes (Davis & Chems, 1975) and Japanese Quality

¹⁶ Trades Union Congress, (TUC) (1994) “Human resource management: A trade union response”. London: TUC Congress House.

Circles, British management eventually discovered the phenomena of Japanese Quality Circles (Ishikawa, 1976; Morita, 1987; Oakland 1993) that were the operational part of the philosophy of Total Quality Management (TQM) introduced into Japan in the early 1960s by Dr. W. Edwards Deming (Deming, 1988a) and Joseph M. Juran, (Juran, 1989, 1992) two American quality consultants, who drew on the earlier work of Walter Shewhart, (Shewhart, 1939), and Armand V. Feigenbaum , (1951, 1991) on total quality control. As a form of direct (job level) employee participation (Guest & Fatchett, 1974, Bank & Wilpert, 1983), Quality Circles gave employees more say in their work organisation in respect to quality of product, service and process.

As David Hutchins (1985), who is credited with bringing the QC idea to Britain, put it: "...I became increasingly concerned about two major problems in our industrial society. (1). I formed the belief that Western approaches to Quality Control based entirely on Quality Assurance were fundamentally wrong and (2). Whilst there has been a widespread awareness of the need for greater worker involvement or participation, we have never been able to find a satisfactory vehicle that is attractive to all levels and groups within an organisation, and to society in general."¹⁷

The popularity of this direct form of employee participation with British workers, in which they were encouraged and empowered to use their knowledge and creativity in the solution of problem at the work group and job level, led to the mushrooming of Quality Circles across the country and to the establishment of the National Society for Quality Circles that held conventions and other promotional activities including research and best practice for thousands of QC members representing hundreds of British companies. (Hutchins, 1985, 1992; Robson, 1982, 1986; Oakland, 1993).

The Department of Trade and Industry joined the bandwagon for Quality Circles. It produced a series of booklets including, "The Case for Quality," "Quality Costs," "Statistical Quality Control", and "The Case for Quality Circles" as part of a National Quality Campaign. The case studies in these publications were drawn from the more than one hundred companies that formed the National Society of Quality Circles.

Quality Circles were seen as a new approach to unlocking productivity whilst meeting the aspiration of workers to participate in their workplaces in a quest for quality. The Quality Circle movement in Japan started after the Second World War as "reading circles", where Japanese foremen invited their workers to participate in study groups during work time in an effort to increase literacy, and found this went hand-in-hand with quality efforts. These workers purchased booklets written to teach them to read from newspaper kiosks. The reading materials were often focused on quality issues at work and the reading circles soon became quality circles dedicated to solving quality problems at job level. The newly formed Japanese Union of Scientists and Engineers (JUSE) geared education and training seminars on statistical methods to workers. The Japanese Standards Association (JSA) also set up work-related courses on quality control and standardisation. Inspired by

¹⁷ Hutchins, D. (1985). "Quality circles handbook". London: Pitman, p. iX

seminars conducted by American quality experts Deming and Juran for the chairman and CEOs of Japan's top companies, the first specific Quality Control Circles emerged in the early 1960s and grew to over a million. (Yoshino, 1968; Ishikawa, 1963; Imaizumi, 1981) Involving people at the frontline in the country's search for quality, engaged the government at all levels and took the form of quality circles both in manufacturing and in the service sector. A national magazine, "Quality Control for Foremen" was published and contained the writings of Professor Ishikawa (1963), a Japanese expert on quality. November was designated as quality month for the country and the coveted Deming Prize for Quality was established.

The Quality Circle movement in Japan created a paradigm shift. "Japanese Products (now) have a worldwide reputation for precision, reliability, and durability... 'Made In Japan' used to mean cheap and shoddy products. The important point, however, is not that the Japanese have made a remarkable transition but that it took 25 years of hard work to do it. As one Japanese scholar phrased it, "If you do an economic analysis, you will usually find that it is advantageous to reduce your defect rate from 10% to 5%. If you repeat that analysis, it may or may not make sense to reduce it further to 1%. The Japanese, however, will reduce it. Having accomplished this, they will attempt to reduce it to 0.1% and then 0.01%. You may claim that this obsession is costly, that it makes no economic sense. They are heedless. They will not be satisfied with less than perfection." (Hayes, 1981) Particular cultural aspects of Japanese manufacturing may have combined with human resources practices such as lifetime employment, which is often exaggerated in the West, as it dates from the end of the Second World War and applies to less than a third of the elite companies. (Hayes, 1981)

As early as 1968, managers from the West visited Japan to discover the power of Quality Circles (QCs) although little success was made in transplanting the concept back in their companies. This failure was put down to the mistaken belief that QCs were culturally specific to Japan, an idea refuted later in our article "What's so special about quality circles?" (Bank & Wilpert, 1983) The first American QCs were established by a management team from Lockheed Missiles and Space Company, after a visit to Japan, in 1973. These served as a model for other major US companies and organisations such as Westinghouse, Harley Davidson, General Motors, Babcock and Wilcox, and Honeywell. The US Air Force, Army, Navy and public agencies followed the lead of the private sector in establishing QCs.

The Quality Circle movement was so widespread that at the peak of its popularity in America over 90 per cent of the Fortune 1000 companies had a Quality Circle programme. (Lawler & Mohrman, 1985) Researchers into employee participation admit to an element of fad in some of the management techniques. (Marchington et al., 1993; Burke, 1993; Heller et al., 1998) Often driven by management consultants or inspired by articles in the business press, faddish forms of employee participation usually fail because managers do not recognise the substantial changes in behaviour and company culture required by participation programmes, the serious role of training required by the programmes and its cost in time and money, and the impact employee participation has on managerial

prerogatives. (Heller et al., 1998) Continual research in employee involvement and total quality marked the last decade of the twentieth century. Lawler targeted his research in the Fortune 1000 companies. (Lawler et al., 1989, 1992) Surveys used in both of these studies led by Edward. Lawler provided the first systematic data on employee involvement trends in the US in large companies. It enabled companies to benchmark themselves against the Fortune 1000 companies in terms of employee involvement practices, results and aspirations. The studies also looked at the close relationship between employee involvement and total quality management. They looked systematically not only at the rate of adoption of employee involvement and total quality management programmes but identified the combination of total quality management and employee involvement programmes that had a particularly positive impact.

Lawler's research spanned several decades in which American managers undertook employee involvement, participative management, democratic management, and the quality of work life. All of these practices had a heightened take-up record during the 1980s when American companies were under a global challenge to increase their performance by foreign competition.

Often where a Quality Circle programme failed, it was merely something the top (senior managers and directors) told the middle (middle managers) to do to the bottom (front line supervisors and the workers.) (Lawler & Mohrman, 1985) In those circumstances, a Quality Circle programme often did not survive for long as it was operating at the base of the organisation in an overall company culture that was hostile to its activities. Where Quality Circle programmes tended to thrive was where they were fully integrated into a Total Quality Management culture at all levels in the organisation and where employee participation was genuine. (Mohr & Mohr, 1983; Robson, 1985; Hutchins, 1992; Oakland, 1993). Where they failed, the majority of participants were ready to try again. (Dale & Hayward, 1984). Dale and Hayward found that companies had an average of 20 circles each, compared with 12 in an earlier study. They estimated that 400 to 500 British companies have adopted Quality Circles, along with 30 to 40 service organisations.

In the West the name Quality Circle gave way to quality improvement teams. These teams were set up from the top of the organisation to the bottom and included the most senior managers in the organisation, thereby hoping to avoid some of the pitfalls of Quality Circles. Ideally the Quality Director was a Board member and involved the CEO and other senior managers, often arranging for them to attend training courses in the TQM philosophy and techniques, thereby establishing both a common quality language and a modus operandi for the entire organisation. (Crosby, 1979, 1989; Townsend & Gebhardt, 1985, 1987, 1992, 2005; Hunt, 1992; Rao et al., 1996)

Quality awards increased the growth and momentum of TQM across the world. In addition to the coveted Deming award in Japan, were added the Malcolm Baldrige Award in the USA and the European Quality Award. (Boyett et al., 1993; Steeples, 1993).

Frequently running parallel with the quality improvement teams in the 1990s, re-engineering programmes appeared as the new management technique in the quest for greater efficiency and competitiveness. (Hammer, 1990; Hammer & Champy, (1993)

The technique in its pure form called for managers and their key employees to think afresh – starting with a blank piece of paper – how they would redesign their organisations to make them more effective. Theoretically it was not inextricably linked with downsizing, but in practice organisations use re-engineering to set off massive downsizings. Begun initially as a simple cost-saving exercise, a one-off event, the downsizings became repetitive and so downsizings grew into a permanent feature on the economic landscape. They presented both a threat and a challenge to employee participation in decision-making that is still present today. I began to study the phenomena called the ‘survivor syndrome’ associated with downsizing and shifted my research focus to BT, a company experiencing wave after wave of downsizings that would eventually reduce the workforce from 240,000 to 120,000 in the space of six years. The turmoil such a drastic reduction of staff in such a short span of time – 25,000 BT managers left the company on one summer weekend – opened up the system for research as to the effect the downsizings were having on both those exiting the company and the survivors, those remaining behind. The danger of the downsizing technique was that it was focused exclusively on cost cutting and would often produce short-term cost savings. The exercise was then repeated at short intervals and in some companies led to a type of organisational anorexia, where skilled employees disappeared with their knowledge as companies got slimmer and slimmer. Stephen Roach the US economist credited with introducing downsizing as a management technique, now cautions against its overuse. About 43 million jobs in the US are estimated to have been lost due to downsizing over two decades. (Uchitelle & Kleinfield, 1996)

Involving staff at every stage of the process as early as possible was essential to managing downsizings efficiently whilst avoiding the worst effects of the survivor syndrome. (Noer, 1993; Robinson et al., (1994); Herriot & Pemberton 1995; (Herriot et al., 1997)

Is participation another management fad?

It could be argued that there is a fad element in Organisational Participation programmes, just as there is a fashion aspect to the in vogue management techniques such as TQM, Re-engineering, Downsizing, 360 degree feedback, The Balanced Score Card, etc.

Richard Pascale (1990) wrote that a long list of fads has dominated the management scene in a half-century: “Over two-dozen managerial techniques have waxed and waned since the 1950s. More interestingly half were spawned in the past five years. The list reads like a Who’s Who of business hype: Theory Z, Matrix, Managerial Grid, T Groups, Entrepreneurship, Demassing, and One Minute Managing. Others are: corporate culture, Kaisen, MBWA (Management By Walking (or Wandering) Around), portfolio management, restructuring, excellence, quality circles, wellness, decentralization, value chains, zero-based budgeting, strategic business units, experience curves, diversification.

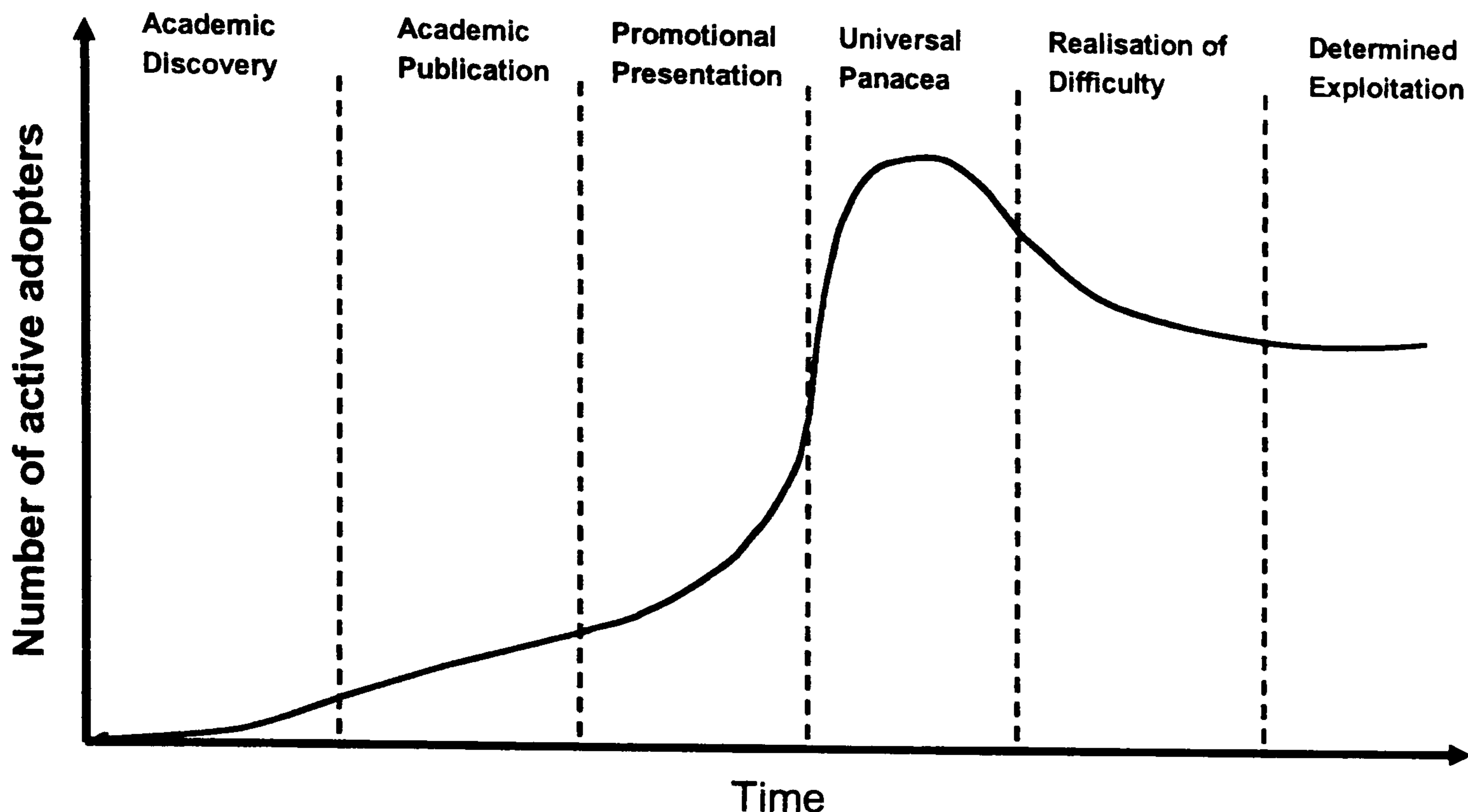
management by objectives, conglomeration, brainstorming, theory X and theory Y, satisfaction/dissatisfaction, decision trees.”

Gerard Burke, (1993) argues for a “life cycle for management fads” in an article on Business Process Re-design. In the life cycle, similar to a product life cycle, the business fad moves from academic discovery to academic publication (usually through a seminal paper, article or book) to promotional presentation (where populist writers, business journalists and consultants play major roles) to universal panacea (where the technique’s potential is exaggerated beyond reasonable expectations and applied to all spheres of life) to realisation of difficulty (here criticism from academic researchers kicks in and failures of the technique are documented) to finally determined exploitation (where believers in the technique do what is required to make it successful and enjoy the benefits.) Numbers of active adopters of the fad, rise and fall in a normal distribution curve as the fad progresses. See figure 3: “Life cycle of a management fad”.

Is Organisational Participation just one of these fads, or the mother of many fads, such as Quality Circles and TQM? Hackman & Wageman (1995) entertained the possibility. “A more sceptical view is that TQM is but one in a long line of programs – in the tradition of T-groups, job enrichment, management by objectives, and a host of others – that have burst upon the management scene rich with promise, only to give way in a few years to yet another new management fashion.” While calling for more empirical research into the topic, they come down on the side of academics, like me, who assert that: “TQM provides a historically unique approach to improving organisational effectiveness, one that has a solid conceptual foundation and, at the same time, offers a strategy for improving performance that takes account of how people and organisations really operate.” (Hackman & Wageman, 1995).

Figure 3. from Hugh Macdonald in Gerard Burke, “Business process redesign – Hype or hope? Management Focus, Cranfield School of Management, issue 2, autumn 1993, pp. 11-12.

Life Cycle of a Management Fad



Hugh MacDonald from Gerard Burke "Business Process Redesign – Hype or Hope?"
Management Focus, Issue 2, Autumn 1993 p.11 - 12, Cranfield School of Management

Does TQM Meet the Tests of Empirical Research?

Wruck & Jensen, (1994) and other writers believe that TQM is unique. Others are more sceptical and simply add TQM to the long list of management fads discussed above.

Researchers Hackman and Wageman began their seminal paper, "Total Quality Management: Empirical, Conceptual, and Practical Issues" (ASQ 1995) questioning whether TQM still had an "identifiable conceptual core" and tracing back today's ideas of total quality to the movement's founders, namely, W. Edwards Deming, Joseph Juran and Kaoru Ishikawa. Their conclusion is that too many so-called total quality programmes are pale reflections of what the founders of the quality movement meant – that rhetoric is winning out over substance. Perhaps that explains why Deming said of TQM, "The term is counterproductive. My work is about a transformation in management and about the profound knowledge needed for the transformation. Total quality stops people from thinking. (Deming quoted in Senge, 1992) They also fear that too many interventions, some unrelated to TQM are being taken under the TQM flag. Here they identified three interventions that get incorrectly bundled together with TQM – group-level performance-contingent rewards, work redesign, and empowerment initiatives. They also conclude that research itself is failing to provide the corrective action for TQM that is required. They

conclude that “Total quality management as articulated by Deming, Ishikawa and Juran is a set of powerful interventions wrapped in a highly attractive package. When implemented well, TQM can help an organization improve itself and, in the process, better serve its community and its own members.” They predict that to survive, TQM has to cut back on the “rhetorical excesses” and apply to itself its central concept of continuous improvement.

Researcher Mark J. Zbaracki, writing in the same journal, ASQ, three years later (1998) added some empirical research findings on the precise subject Hackman and Wageman concluded with – “The Rhetoric and Reality of Total Quality Management”. He looked at five organisations to demonstrate how institutional forces are capable of distorting the technical realities of TQM. His model shows how managers “consume a rhetoric of success about TQM, use that rhetoric to develop their TQM programme and then filter their experience to present their own rhetoric of success.” Hence the discourse on TQM develops an exaggerated optimistic image of TQM.

Empowerment: a more management-friendly form of organisational participation and democracy at work

There is a link between the concepts of participation, democracy and empowerment. As Collins (1999, p 12) wrote “...empowerment, participation and democracy are all corollaries of one another, and so must be studied together. Democracy may imply participation and, in turn, participation springs from a sense of empowerment.”

In a business context, empowerment has a richer, fuller meaning than the simple dictionary definition. Empowerment is a strategy whereby managers free employees from rigorous controls to take responsibility for their own ideas, decisions and actions, and in that way, release hidden resources that would otherwise remain inaccessible both to the individuals and to their organisations. (Peters, 1995) Empowered employees take more control over and more responsibility for the results of their work, within clear guidelines, can use more of their talents and creativity in their work, and increase their knowledge. (Foy, 1994)

As a strategy that came to its peak in the 1990s, empowerment was encouraged by shortening the lines of communications and command. The focus was on empowering line managers to deliver all that is required without depending on the human resources department or some other specialist function for assistance. Hyman and Cunningham (1996) contrasted the traditional responsibilities of the line manager – changing work practices, disciplining subordinates, dealing with absenteeism, sorting out disputes – with the empowered line manager’s new responsibilities – recruiting people, advising and counselling staff, communicating with staff, conducting appraisals, training staff, leading meetings, communicating upwards, dealing with staff suggestions and ensuring high quality.

Empowerment, as in the empowerment of women, means to remove the glass ceilings, glass walls and other obstacles to their advancement in organisations.

Empowerment creates a level playing field, where women can compete with men on the criteria of talent or merit. Empowering women also involves strategies and networks that are used to offset “the old boy networks” that have favoured the male-bias status quo. (Vinnicombe and Bank, 2003)

Empowerment takes place on three levels:

- At the individual level where employees develop a deeper understanding of empowerment and appropriate corresponding attitudes towards it.
- At the group level where managers foster behaviours and skills of their employees that are in keeping with empowerment.
- At the company level where policies and practices on empowerment are implemented for all employees.

Wellsprings of employee participation and empowerment

1. Rising education levels linked to higher expectations from work. (Lawler, 1980, p. 67)
2. The democratic imperative and the quest for industrial democracy. (EEC, 1972, Draft Fifth Directive.)
3. Total Quality Management (TQM), as a dominant philosophy of management in the last quarter of the last century.
4. Research into Employee Involvement clearly and consistently demonstrates that there is a positive, causal relationship between involving people at work and benefits both to them and to their organisations. (Blumberg, 1968, 1971)
5. The knowledge requirement for radical change in contemporary business organisations. (Bennet & Bennet, 2002; Tranfield et al., 2003)

Conclusions

In March 2005, the Joseph Rowntree Foundation published a 77-page research paper entitled: “Employee participation and company performance: a literature review” (Summers & Hyman, 2005). The research findings are positive for organisational participation and democracy at work. They include:

- The effects of participation schemes depend on the environment in which they are implemented. Employee compliance with participation should not be confused with commitment to it.
- The interplay between participation and attitudinal change is largely determined by the degree of genuine influence granted to employees through the participation schemes. If they feel they have low degrees of influence than they are unlikely to deliver benefits. A threat to successful participation programmes comes from the perception on the part of middle managers that their authority is being eroded by participation.

- Financial and work-related participation can combine to positively impact company performance. The financial participation appeals to some workers, whilst the work-related appeals to others.
- Participation affects different workers differently. Diversity issues such as age, gender, race and contractual status can magnify social disadvantage. Those who are disabled or older or who have caring commitments may not be able to participate as they would like.
- Work-life balance and family-friendly working have not had a very loud employee voice especially in large organisations. Flexible working seems easier to negotiate in smaller organisations.
- A combination of participation and welfare measures such as equal opportunities and family-friendly working can enhance organisational performance and the quality of working life. “Policy support should focus on union recognition and activity within a human rights framework, since this can positively influence employees’ behaviour towards organisational goals.”

These positive findings will make their contribution to a renewed debate on organisational participation and democracy at work today. Throughout this synoptic paper, I have attempted to pull together the 11 publications that I am now submitting for a PhD by publication. These publications, I believe, represent a “substantial, continuous and coherent body of work” on the theme of organisational participation and industrial democracy. The subjects of my inquiries have included worker directors – for Britain a rare phenomenon in participation. In Eastern Europe, I studied the leaders and members of a social movement as it was in transition to becoming a trade union engaged in collective bargaining, the most common form of indirect or representative participation.

The subjects of my research have also included thousands of employees, at all levels of organisations, who have been caught up in the management-led Quality Circles and Total Quality Management improvement teams. Engaged in direct forms of employee participations, including job level, problem-solving groups, these employees have shown an appetite for involvement in their work to create competitive advantage. Throughout my investigations into the varied forms and types of participation and industrial democracy I have found that there are positive benefits for employees and for their companies that accrue from being involved in decision-making, thereby further establishing the participation-satisfaction link in the literature.

Even when decision-making is difficult and challenging, as in downsizing situations for both leavers and survivors, it is important and beneficial to involve those most affected by decisions in the social, political and economic order in the making of those decisions in keeping with what the EC calls “the democratic imperative.” My qualitative research has added to the weight of evidence here.

Throughout the presentation of the 11 publications I have demonstrated a wide variety of research methods. These have included the analysis of data collected from direct observance, structured and semi-structured interviews, wild-track tape recordings, feeding back transcripts of data, in-depth, one-to-one, unstructured interviews, statistical surveys, data from participant-observers, action research, focus groups, questionnaires, case studies and the study of government reports and the analysis of company records. Many of the methodologies I used reveal a “strong bias towards research designs which tend towards the interpretive and action-oriented end of the methodological spectrum.” (Partington, 2002).

Throughout the nearly two-and-a-half decades of publications clustered around trade union, managerial and employee perceptions of organisational participation and democracy at work, one broad conclusion stands out that is in perfect synchronisation with James Surowiecki’s “The Wisdom of the Crowds: Why the Many Are Smarter Than the Few” (2004). “...under the right circumstances, groups are remarkably intelligent, and are often smarter than the smartest people in them. Groups do not need to be dominated by exceptionally intelligent people in order to be smart. Even if most of the people within a group are not especially well-informed or rational, it can still reach a collectively wise decision.”

Chapter 5. Contribution to Knowledge

During this part of the synoptic paper I take the publications one by one and first put each publication into a matrix to outline its contribution to the literature and then I discuss this contribution, relying on the words of others where I can.

The matrix was adapted from a matrix developed by Mark Jenkins, Professor of Competitive Strategy at Cranfield School of Management, for use by PhD and DBA students, and, to my knowledge, remains unpublished. I use the matrix to show the contribution my publications have made to theory whether they have confirmed or replicated others' theories, contradicted them, extended them or made a new contribution. I also show where the methods I used confirmed or replicated the work of others, contradicted them, extended them or made a new contribution to the way data was collected. I then plot the empirical results along the same four categories – confirmed or replicated, contradicted, extended or made a new contribution. Finally at the bottom of each matrix I show practical or policy implications of the work.

Publication Title: Bank, J. & Jones, K. (1977). *Worker directors speak, the British Steel Corporation employee directors*. Westmead, Farnborough: Gower, 114 pages.

	Confirmed/ Replicated	Contradicted	Extended	New Contribution
Theory	Blumberg 1968 Batstone 1976 Marchington 1980 Heller et al. 1998	Brannen et al. 1976 TUC testimony to Bullock Committee on Industrial Democracy	Brannen et al. 1976 Brannan 1983	
Method				Wild track tape recording
Empirical Results			Brannen et al. 1976 Brannen 1983	New positive record of BSC worker directors' experience of the role

Practical or Policy Implications:

The role of worker director is compatible with trade union representation. Worker Directors need not be cut off from the shop floor.

Publication Title: Bank, J. & Jones, K. (1977). *Worker directors speak, the British Steel Corporation employee directors*. Westmead, Farnborough: Gower, 114 pages.

On the academic front the research was seen to confirm a wide body of literature that argued that increasing organisational participation in decision-making by workers led to positive benefits for them and for their companies. Hence the work confirmed the findings of Blumberg, (1968), Batstone, (1976), Marchington, (1980), and Heller et al., (1998), to list but a few.

This research book was not the first book on worker directors in the British Steel Corporation. An earlier book, (Brannen et al. 1976) was published a year before and looked at the first three years of the Worker Director scheme in British Steel. This earlier book on the BSC worker directors (Brannen et al. 1976) had limited itself to the beginning of the worker director experiment (1968-1971) and was highly critical of the first 12 people to hold the role in terms of their being non-representative of the shopfloor. The research was published five years after the data was collected so that by the time it appeared in print, major changes had been made to the BSC worker director programme, largely due to the worker directors themselves who were keen to carve out meaningful roles for themselves. For example, their numbers had been increased from 12 to 18, giving these 18 worker director more voice and power in their role. Initially the worker directors were required to give up their trade union positions; when this requirement was later dropped in 1971, all the worker directors who wanted to regain their union positions, won re-elections, putting paid to the charge that they had lost contact with the shop floor in their new role as worker director. The trade union offices that they were re-elected to included committee man, branch secretary, convenor of shop stewards, and, in one case, national president.

Hence my research work reflected this new reality of the role of worker director and refuted one of Brannen et al.'s findings that the BSC worker directors were cut off from the shopfloor. I demonstrated that it would not have been possible for all those worker directors who chose to do so, to regain their trade union offices if they were viewed as cut off from the shopfloor. When they originally relinquished their trade union positions, others were elected to the offices they left. When the worker directors – three years later – were permitted to regain these positions they had to win them in free elections and displace those who were holding the positions. One of my strong findings was that the worker directors combined the role as representative of the workers and the role as expert while serving on the corporation's boards. Their expertise was in human resources management and trade union relations. "They knew what the men would wear," as they put it. They also had a broad knowledge and competence about the issues facing the steel industry in their particular sectors. The data I gathered demonstrated their competence in dealing with the dual roles of representative and expert.

In collecting the data, we used a method that we called 'wild track tape recording'. We met with the men every fortnight for six months at the Steel Management College in Leamington Spa in Warwickshire. During the meetings, we divided the men up into their divisions in BSC – construction steel, tubes, special steel, etc. Each group was given an

identical agenda to follow in their group discussions. A tape recorder was set running in each group. Frequently the men left the prearranged agenda to talk about the live issues they were dealing with at the time and these “off the record” discussions were captured on tape. We then produced transcripts of the group discussions and later at the London Business School analysed the transcripts for themes and topics that were sorted and classified to identify the real activities in which the worker director were engaged. The collated information was feedback to them for clarification at the following meeting until eventually a comprehensive picture of their role as worker director emerged.

Evidence of the contribution of “*Worker Directors Speak*” to the literature is given by Peter Brannen, (1983) then a senior researcher at the Department of Employment. Brannen, one of the authors of the 1976 Worker Directors book, in his 18-page chapter, quotes directly from or makes citations of “*Worker Directors Speak*” 18 times¹⁸ Colin Crouch and Frank A. Heller, the editors of the yearbook in which Brannen’s chapter appeared, made several references to “*Worker Directors Speak*” in their introduction to the yearbook. They said: “Among the sceptical accounts of participation experiments on which Clegg and Ramsay draw for their general conclusions, that by Brannen and his colleagues drew forth a defensive riposte from a group of BSC worker directors.” (Bank & Jones, 1977)”¹⁹

Misunderstanding the representative role of the BSC worker director has been widespread and tenacious. In the first of only two references to them, the Bullock Committee’s report added to the misunderstanding. The reference came in a section setting out the TUC view that board representation based on a single channel of trade union machinery was a natural extension of the new policy-making role of trade unions. “In their oral evidence to the Committee the TUC reiterated this view, indicating that as long as any system of employee representation on boards made the employee directors truly representative and properly accountable, then there would be no reason for such a system to undermine existing joint machinery. It was the failure to incorporate these principles in the British Steel Corporation worker director scheme, the TUC argued, that accounted for the relative lack of success of that experiment.” (Report of the Committee of Inquiry on Industrial Democracy, Chairman: Lord Bullock, HMSO, January 1977, p. 43.)

The conclusion of the research in “*Worker Directors Speak*” flatly contradicted Bullock’s summary judgement that the BSC worker directors were not truly representative or properly accountable. Their representative role was the central theme of the research. The men had been selected and their names put forward by their own trade unions and later by the TUC Steel Committee. Their names went forward as worker director nominees because they had the qualities of true representatives and the capacity, in fact, to speak for

¹⁸ Brannen, P. (1983) Worker directors – An approach to analysis: The case of the British Steel Corporation. In C. Crouch and F.A. Heller (Eds.). International yearbook of organizational democracy: For the study of participation, co-operation and power:121-138, Vol. 1, “Organizational Democracy and Political Processes”.

¹⁹ Op cit Crouch p. lii.

employees when they attended board meetings and served on committees, sub-committees and working parties at all levels in the British Steel Corporation.

They saw themselves accountable to the employees in general, their particular trade union which had nominated them, all the trade unions in their constituencies, and, in a special way, to the TUC Steel Committee. They considered themselves accountable to the TUC Steel Committee to the extent that they could be asked to resign on fundamental issues of confrontation between the TUC Steel Committee and the British Steel Corporation.

The worker directors who were the object of study of the research considered themselves to be the first wave of worker directors experiencing boardroom representation as harbingers of industrial democracy. In their own working lives they already experienced unprecedented rates of technological and organisational change. They enjoyed a higher standard of living than any steel workers of any previous generation, but they existed on the dangerous edge – aware of the threat that such rapid change posed to their own livelihood. Their careers had spanned 20 to 40 years in the steel industry from the days of the ‘steel barons’, who exercised princely prerogatives, through to two bitterly contested nationalisations of the industry, to the calculating strategies of the British Steel Corporation of the mid-1970s, determined not only to survive but to prevail against fierce global competition. When they first took jobs in steel, decisions that directly affected their ability to earn a living, were taken outside their control, often by unknown men in the light of knowledge they did not have. All of that changed as they became worker directors, at the spearhead of the incursion into the decision-making zones of their industry as both representatives and experts. The issues they had to deal with were hard ones, including ‘de-manning’ and plant closures, but they exercised their role, as true representatives, not as delegates mandated by others. Their collective experience underlay the practical and policy implications that the role of worker director is compatible with trade union representation, and proof that worker directors need not be cut off from the shopfloor.

The worker director scheme at the British Steel Corporation achieved all four major objectives of organisational participation: increased productivity, increased job satisfaction, improved industrial relations and greater industrial democracy. (Guest & Fatchett, 1974)

Publication Title: Bank, J. (1982). Alienation, participation and the worker director. In A. Kakabadse, *People and Organisations*: 54-77. Aldershot, Farnborough: Gower.

	Confirmed/ Replicated	Contradicted	Extended	New Contribution
Theory	The participation-satisfaction theory Argyris 1964 Bennis 1996 Linkert 1967 McGregor 1967 Blumberg 1968 Lindholm & Norstedt 1975 Lawler 1980 Hackman & Oldham 1980	Wall & Lischeron 1977		
Method				
Empirical Results				Compared quality of working life (QoL) of USA with organisational participation in Europe.

Practical or Policy Implications:

Both indirect or representative participation such as worker directors and direct participation, as in job redesign, have a positive link to satisfaction at work.

Publication Title: Bank, J. (1982). Alienation, participation and the worker director. In A. Kakabadse, *People and Organisations: 54-77*. Aldershot, Farnborough: Gower.

This publication adds further evidence to the participation-satisfaction theory. Drawing on my original data from the extensive British Steel worker directors' research, I argued that such indirect or representative participation is an antidote to alienation. Such an argument has extensive support in prior research that established the participation-satisfaction theory. Authors whose work has contributed greatly to the theory include: Argyris (1964); Bennis (1996); Likert (1967); McGregor (1967); Blumberg (1968); Lindholm & Norstedt (1975); Lawler (1980); Hackman & Oldham (1980); Heller et al. (1998), to name but a few.

In the research I provide a study of the concepts of alienation and participation. Both of these ideas come from different sources of industrial relations thought. "Alienation as a concept derives from pessimistic Protestant theology and came via Hegel to Karl Marx and has since been discussed by a series of writers such as Blaumer, (1964), Chinoy, (1955), Walker & Guest, 1952, from the perspective of technology creating alienation. "In early social analysis, technology was seen as a conspirator with capitalism to control the workforce with its factory and clock discipline." (Cressey & Di Martino, 1991) The capitalist "appropriates" the results of the worker's labour causing him to relate to "the product of his labour as to an alien object" according to Marx (1844). The worker is further alienated from his work by the way industrialism has created the division of labour that leads him to feel not at home with his own work and marginalised from his own life. As Marx put it: "In his work he does not affirm himself but denies himself, does not feel content but unhappy, does not develop freely his physical and mental energy but mortifies his body and ruins his mind. The worker is at home when he is not working and when he is working he is not at home. His labour is therefore not voluntary but coerced; it is forced labour. It is therefore not the satisfaction of a need, it is merely a means to satisfy needs external to it. Its alien character emerges clearly in the fact that as soon as no physical or other compulsion exists, labour is shunned like the plague." (Marx, 1844)

By contrast, participation derives from a different tradition in the work of American and British industrial psychologists. It is rooted in their research on job design, job enlargement, job enrichment and autonomous working groups, in which new technology is perceived to offer the chance of overcoming alienation. (Hackman & Oldham, 1980; Lawler, 1980).

One of the most visible forms of shop floor alienation has existed in the car industry both in the USA and in Europe. (Lindholm & Norstedt 1975; Norstedt & Aguren, 1973). My research took me to the States where I interviewed Irvin Bluestone, the United Auto Workers Union vice president in charge of negotiations and enforcement of the UAW contact with General Motors (GM). Much of the UAW's work to improve the Quality of Working Life of its members has added further evidence to the participation-satisfaction theory. Within months of my interview with Bluestone, the fruit of his joint work with General Motors on the quality of working life was revealed in the tremendous success of the GM plant in Tarrytown, Town, New York (See Appendix D). The turnaround at that

GM complex provided powerful evidence of the beneficial results organisational participation offers both workers and the company they work for, while increasing worker satisfaction. At the time of the research, the United Auto Worker President, Doug Frasier had become the first worker director in the USA by taking a boardroom position on the Chrysler Corporation board. But there was no large scale movement for worker directors as a form of industrial democracy. Instead, traditional collective bargaining (Clegg, 1976) enhanced by the goals of the Quality of Working Life Movement (Davis & Cherns, 1975) was the dominant form of organisational participation in the United States. Issues for collective bargaining were often entwined with the elements of relevance to the quality of working life for the members, as they included the task, the physical working environment and the social environment within the works, the structure of the administrative system and even work/life balance. Other factors came into play such as demographics, socioeconomic status, ethnicity and diversity, culture and personality, politics and ideology, and the state of technology. (Walker, 1972)

To continue my study of how organisational participation was used to combat alienation in the auto industry, I went, during its first year of operations in 1973, to a greenfield site in Kalmar, central Sweden, where Volvo attempted to design-out alienation in its construction of a new plant. The CEO, P.G. Gyllenhammar, (1977) halted the building of a traditional car assembly factory and involved the workforce, the management, and the trade unions in the challenge to come up with an entirely new design for a plant to assemble motor cars. It cost the company 10 per cent more than if they had built the traditional plant originally proposed. (Gyllenhammar, 1977). As opposed to typical 'aircraft hangar' construction on a massive scale found in most car factories, the architecture of the Kalmar plant was such that it was built in the shape of a hexagon so that the factory was a collection of small work areas, each with windows opening onto country fields, and each with its own rest zone. Technology was put at the service of autonomous work groups. When a painted body of the car arrived from Gotenberg, it was assigned to a mobile platform whose location was mapped by a central computer but whose control was in a remote device in the hands of a worker. The assembly line was thereby removed. Workers were not paced or driven by machines. Instead, by intelligent use of buffer stock, the work group manipulated the platforms to suit themselves and to achieve their overall production targets. At each work area's rest facilities, workers could choose when and how often to take breaks, making use of cooking equipment and even take a sauna, as the sauna baths were located in every working area. Each autonomous work group was given a significant assembly to do so that the work they did was meaningful and identifiable. (Gyllenhammar, 1977) It should be noted that considering work to be meaningful is part of the Hackman & Oldham (1980)'s three psychological states for motivation. The other two critical states are autonomy and feedback.

Volvo workers at Kalmar were not only given a meaningful assembly of the car, but were also able to identify their work group with the assembly and to receive meaningful feedback on the work. This system resulted in there being an eight per cent savings on unit

cost for the car assembly plant in its first full year of operation. The savings had to do mostly with the autonomous work groups producing a better build of the car therefore requiring less re-working. The Kalmar plant then became a model for Volvo's other plants that installed the new technology. As the company's President, Pehr Gyllenhammar explained: "The company has twenty factories in Sweden and seven abroad... Building a momentum of change toward more human working patterns in all these plants was a major objective from the moment Volvo began thinking about a non-traditional approach to the new Kalmar factory... In almost every case cooperation and participation began with attention to the physical environment; only as that began to improve did people find it natural to turn their attention to the content of the work itself." (Gyllenhammar, 1977, p. 104)

Evidence of the success of the Volvo plant at Kalmar in terms of the participation-satisfaction thesis raised in my publication was provided by the Swedish Productivity Council (Rationaliseringsradet), a research organisation jointly sponsored by the blue-collar unions and the employers' association, in the results of the first outside evaluation of the new plant in October 1976. These results that follow were obtained by the research team interviewing over one hundred blue- and white-collar workers:

- Nine out of ten workers participate in job rotation, and eight out of nine think it is a good way of working.
- The workers are somewhat free to take breaks because of the buffers, but the original goals have not been met.
- Decisions are delegated beyond the norm in traditional factories.
- Nine out of ten workers want to take responsibility for the quality of the product, and feel that they are partly able to do so.
- Final adjustment takes more time than original plans anticipated.
- The employees say the physical working environment is very good. Original goals for noise, light, and health service have been met, but they asked for certain changes regarding working postures and summer ventilation.
- Productivity is as good as Torslanda, (another Volvo plant), and the flexible layout will pay for the higher investment when it is used to full capacity.
- Personnel turnover and absenteeism are around five percentage points lower than Torslanda.

(Gyllenhammar, 1977, p.71.)

My research concurred with these subsequent findings in terms of job satisfaction. The findings contradicted the assertion of Wall & Lischeron (1977, pp. 145-147) who challenge the relationship between participation and satisfaction in the literature. Wall and Lischeron claimed that the participation-satisfaction thesis is more a belief than a conclusion founded on empirical evidence and that the belief often rests on the bias of the researcher. As they put it, describing their own field work: "The 'acid test' of the participation-satisfaction thesis was provided by the experimental field study... For a population in which participation and satisfaction were known to be positively correlated,

an increase in worker participation was achieved. This did not result in an observable increase in worker satisfaction with the organization, pay, opportunities for promotion, the job itself, immediate supervision, or co-workers. The single improvement recorded was in the relationship between workers and their immediate managers. While there are many possible explanations of these findings the most plausible is that participation is not an important determinant of worker satisfaction in this population of blue-collar workers."

The authors were attacking a theory that "not only permeates the psychological literature but is also put forward by many individuals and institutions with powerful influence over future developments in industrial relations." They point to the limitations of correlational evidence, which Blumberg remarks "is rare in social research" especially as it was obtained from diverse research on diverse populations. (1968, p. 123).

Wall & Lischeron (p. 20) label the evidence "weak", emphasising what they find are four flaws in it:

- 1) the direction of causality,
 - 2) the relevance of leadership styles as indices of participation,
 - 3) problems with measurements, and,
 - 4) the validity of behavioural variables as indices of participation.
- 1) The direction of causality: When two variables are claimed to be related, the researcher has little justification in maintaining that one variable is the determinant of the other as the causal link can run in either direction. The evidence for the participation-satisfaction thesis that they review does in fact show a positive correlation between the two variables, but this positive correlation neither precludes nor confirms a causal connection.

However, if one posits that participation is not the determinant of satisfaction, how does one explain the positive relation so often reported between the two?

Here their explanations include the causality being in the opposite direction which they feel fits in with all the studies. It is not the participation that produces satisfaction, but the satisfied worker who brings out more participative behaviour from his bosses.

Wall and Lischeron offer another explanation examining a family of studies (Baumgartel, 1956; Likert, 1961; Sadler, 1966; Halpin & Winer, 1957) in which satisfaction is said to be a determinant of measured participation rather than the other way around. In these studies information about the degree of participative behaviour as a competence in the leaders and ratings of job satisfaction could be traced to the same individuals. Hence it might be that positive relationships discovered between participation and satisfaction could be rooted in the individual's general positive outlook on work itself. So the satisfied worker is more ready to see his superiors in a positive light as participative managers, virtuous attributions (the

so-called halo effect) today in the West when contrasted with out-dated authoritarian styles of leadership.

- 2) The second weakness identified by Wall and Lischeron of the correlational evidence focuses on the use of leadership styles as indices of participation. They are unhappy that the majority of researches had used “consideration, employee-orientation, or similar dimensions” and they argue that participation is simply one aspect of these concepts which have many other ingredients, such as trust, respect, warmth, rapport, concern for the needs of subordinates, facility with two-way communication, etc. Given the plurality of these leadership styles, they feel it is wrong to single out just one aspect and attribute worker attitudes to it. So greater satisfaction may be attributed to any one or a number of the above listed dimensions regardless of whether they are accompanied by a share in decision-making.
- 3) Measurements in the host of studies establishing the participation-satisfaction thesis is also called into question by Wall and Lischeron. Measures such as consideration and employee-orientation are multifaceted and evocative, containing as they do evaluative components. So it is not unexpected for subordinates to express higher satisfaction levels when they are reporting that their supervisors display people-friendly behaviours. It is also not unexpected to see that these measures are related when they encompass the same elements. This produces a kind of tautology in the findings of the studies.
- 4) Finally Wall and Lischeron identify another weakness in the correlational evidence in the use of behavioural measures as indices of satisfaction. Studies have already demonstrated that labour turnover, absenteeism and grievance rates provide inconsistent results in relation to participation so that they cannot reliably be linked to job satisfaction. Satisfied workers do not necessarily have lower rates of labour turnover or absenteeism or file fewer grievances. Other factors come into play, such as the availability of finding another job, penalties for being absent or late and the ease with which one can file a grievance.

The data from the empirical work I published about the role of worker director in “Worker Directors Speak” were used in this chapter to argue that organisational participation is an antidote to alienation at work. The thrust of the worker directors’ experiences in that role is in line with a large body of literature that puts the case for man being intrinsically motivated and eager to take on responsibility at work. The worker directors expressed a high level need to exercise autonomy, responsibility and control and that increased their satisfaction at work. Some of the evidence was largely anecdotal as when main board BSC worker director Ward Griffiths summed up the worker’s need for responsibility on a tour of a steel rolling plant in Ebbw Vale, South Wales. He stood alongside the hot, glowing-red rolling steel and said: “That man is throwing off the coil for the foreman to check the gauge. You don’t really want a sectional foreman. He crept into the industry here in the mid-60s. Now you’ve got a foreman for each mill whereas in 1939 we had only one foreman for the whole shift. When I started here you had to be accountable

for your own work. You checked it. The foreman takes over this responsibility and the worker begins to feel less a man. It breeds indifference. Any man, don't matter who he is or what he is, likes a bit of responsibility." (Bank & Jones, 1977, pp 80-81) Like many men who could not find enough scope for responsibility in their jobs, Ward Griffiths sought and found opportunities to exercise decision-making power in the trade union movement. From this power base he became well-known for his abilities and this led in stages to his being selected as one of the 12 original divisional worker directors in 1968 and later in 1970 as a BSC main board non-executive director.

From Chris Argyris' seminal work *Personality and Organization* in 1957, a long list of American social scientists have advanced theories that link participation and satisfaction at work. Many of these works are psychological theories that have gradually migrated into management philosophy. The list includes Abraham Maslow, (1970), Douglas McGregor, (1960), Frederick Herzberg, (1968), Rensis Likert (1961, 1967), Warren Bennis, (1966), and Louis Davis, 1972). As David Jenkins (1973) sums up: "There is a wealth of knowledge of organizations unmatched in any other country (in America). And a great deal of it suggests that democratic management methods are not only possible but are far superior to traditional authoritarian methods...the potential for industrial democracy is thus far richer in America than in any of the other countries we have examined."

As Guest & Fatchett (1974) said, "The key recommendation which emerges from the writings of those who recommend the development of intrinsic forms of motivation is that jobs and sometimes even whole organizations should be re-designed to fit the needs of the worker – and in particular to fit in with his needs for autonomy, responsibility and control. It is strongly argued that most of the existing jobs in industry and elsewhere do not provide the average worker with sufficient challenge or control. This problem will be overcome by 'enriching' the job and as a result the worker will perform more effectively and be more satisfied." Maslow, famous for his 'needs hierarchy' put it more bluntly. "I have seen a few cases in which it seems to me that the pathology (boredom, loss of zest in life, self-dislike, general depression of the bodily functions, steady deterioration of the intellectual life, of tastes, etc.) was produced in intelligent people leading stupid lives in stupid jobs." (1970, p. 49). He suggested that the need for self-actualisation was perhaps, "a widespread and perhaps universal human tendency." His theory is that people progress up a hierarchy of human needs beginning with physiological needs for food and sex, and then moving on to the safety set of needs for shelter and protection, then on to the belonging or love needs for affection and companionship. When these lower sets of needs on the hierarchy are met, a person moves on to self-esteem needs and finally to self-actualising need where a person is achieving his or her full potential and being fulfilled. When applied to organisational life, it became apparent that modern business was very good at providing workers with the earnings they needed to meet their basic sets of physiological and safety needs and in some cases the need for belonging. Modern organisational life fell down on dealing with the last two rungs of the hierarchy of human needs – self-esteem and self-actualisation.

Hence the participation-satisfaction thesis has an overarching role to play in dealing with basic human needs as well as organisational effectiveness. Is the link between participation and satisfaction strong and established? The evidence appears to be mixed. Ostensibly both indirect or representative participation and direct participation promote job satisfaction in their different spheres of operation as explicit objectives. Worker directors engaged in boardroom representation tell you that they feel a sense of satisfaction in exercising their decision-making roles as competently as possible. Trade unionists explain how they experience satisfaction when they achieve power and responsibility in carrying out their trade union duties, none of which is more important than collective bargaining, where most people find a measure of industrial democracy. Other trade union activities such as representation on safety committees and consultative committees carry with them aspects of job satisfaction. Specifically, job satisfaction remains one of the four main objectives of participation along with increased productivity, improved industrial relations and greater industrial democracy. (Guest & Fatchett, 1974) But is the link between participation and satisfaction a proven reality or more of a rhetorical device to create positive moves towards greater democracy at work?

As Heller et al. assert: "The harsh reality of life in competitive organizations is different and has made participation into a hotly debated subject. Some proponents advocate it as a way of increasing productivity; others consider it to be desirable on a level with political democracy. There are several in-between positions, like the claim that participation increases job satisfaction or loyalty to the organization and consequently will have an indirect effect on efficiency." (Heller et al., 1998) In the end, these researchers, looking back over 20 years of their work concluded that: "Individual satisfaction or morale as co-variates or consequences of participation have been favourite topics of scientific investigation as well as dominant assumptions among managers. The equivocal empirical findings of the gigantic literature regarding this alleged relationship has stimulated many attempts to model and conceptualize the nature of the relationship between participation and satisfaction. (Miles 1965; Heller 1971; Locke & Schweiger, 1979)

Considering first, direct/personal participation, the empirical evidence is that sometimes there exists a moderate positive relationship popularly assumed to run from participation/participative decision making (PDM) to satisfaction. Sometimes it does not exist and sometimes it is negative. (Locke & Schweiger 1979) The relationship seems to be moderated by a host of variables such as employee needs for independence, leader characteristics, nature of the task and skill match, and skill utilisation. (Srivastva et al., 1975; Strauss 1992)

"The IDE (1981) study found correlations between personal involvement in decision-making and satisfaction in the fairly low range from 0.10 to 0.23, which may be considered as representative for many studies showing a positive relationship." (Heller et al., 1998)

When it comes to indirect or representative participation as it relates to job satisfaction, the scientific investigations are very rare. The results are also surprising. For

example, the IDE (1981) study assumed that there would be a positive correlation between de facto participation of representatives and positive evaluation of the participative system by employees. But the findings showed that it was the case for only Yugoslavian workers evaluating the Yugoslavian system of self-management. (Trifunovic, 1980; Sane, 1977; Drulovic, 1978) There was, however, in the study of different countries a positive evaluation of the participation systems in that they correlated positively with the given prescribed rules and regulations (and not the de facto participation of representatives. Heller et al. used Deci's (1975) theory of self-determination that emphasises the importance of self-determining choices among options to try to understand and explain the unexpected finding. "In countries with far-reaching prescriptions for participation (e.g. Germany) employees evaluated the possibilities for self-determined action of their representatives positively, more so than the actual level of de facto representative participation." (Heller et al. 1998, p. 59.)

No one claims to have removed alienation from the industrial landscape. Even in Japan the approach of Just-in-Time (JIT) is not without its critics for good reason. A shopfloor car worker, Satoshi Kamata,(1983) wrote an autobiographical description of life as an employee at a Toyota plant called "Japan in the Passing Lane". His account speaks of 'the inhumanity and the unquestioning adherence' of working under such a system. He vividly depicts 12-16 hour days during a six-day working week as a contract worker on the assembly line in the mid-to-late 1970s, when Japan was struggling to meet the American demand for fuel efficient, small cars during the oil crisis. Kamata worked for managers who increased production quotas beyond the limits of human endurance with no regard for the safety of the worker who worked under a draconian contract of employment. Kamata's experience of car assembly was light years away from that of Volvo workers in Kalmar experiencing the efforts of Pehr Gyllenhammar to humanise the work place and make their jobs more social and satisfying.

Publication Title: Bank, J. (1981). Lech Walesa: the Polish workers' revolt, *Employee Relations* Vol. 3, No. 5, 1981, pp. 2-8.

	Confirmed/ Replicated	Contradicted	Extended	New Contribution
Theory	Clegg 1976 theory of collective bargaining Lowitt 1983 Kolarska 1984		Clegg 1976	Model for transition from a social movement to a trade union based on 4 stages: 1) the event 2) confirmation of the leader 3) forging links with the outside organisations 4) internal structuring and the first congress
Method				
Empirical Results				

Practical or Policy Implications:

The right to free trade unions for collective bargaining is a natural right. Free trade unions, if suppressed, will exist underground as a social movement and economic reality.

Publication Title: Bank, J. (1981). Lech Walesa: the Polish workers' revolt, *Employee Relations* Vol. 3, No. 5, 1981, pp. 2-8.

This publication, based on an interview with Lech Walesa, sets out the case for free trade unions in Poland, namely Solidarity and records how the workers' movement became a functioning trade union with over 10 million members.

The vindication of their right of free association was the starting point for Solidarity. To clarify this right, Walesa called upon the Declaration of Human Rights, statements from the International Labor Organization (ILO Convention No. 87 and the ILO Convention No. 96) and the legacy of Papal encyclicals.²⁰

The Declaration of Human Rights (1948) read: "All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of 'brotherhood.' Everyone, as a member of society... is entitled to realization of the economic, social and cultural rights indispensable for his dignity and the free development of his personality."

Several papal encyclicals from the late 19th century until the late 20th century spelled out this natural right in greater detail. Pope John XXIII (1961) in *Mater et Magistra* defended the right of workers to organisational participation at work. John XXIII wrote: "We... are convinced that employees are justified in wishing to participate in the activity of the industrial concern for which they work... We are in no two minds as to the need for giving workers an active share in the business of the company for which they work – be it a private or a public one. Every effort must be made to ensure that there is indeed a community of persons concerned about the needs, the activities and the standing of each of its members." (Clarke et al. 1972, p.10)

The world's first Polish pope, Pope John Paul II was a champion for workers' rights. In two commemorations of *Rerum Novarum* and *Quadragesimo Anno*, Pope John Paul II said that he supported labour unions to achieve democracy in the workplace. He made sure his readers understood that he meant that workers had the right to collective bargaining agreements. He wrote in his encyclicals, *Laborem Exercens* (1982) and *Centesimus Annus*, (1991) that workers had the right to form trade unions to reduce "human trial and suffering and also... the harm and injustice which penetrates deeply into social life within individual nations and on the international level." (Gruenberg, 1998)

He spelt out the issues as if they were an agenda for collective bargaining to include not only proper remuneration for their work, but also social benefits to "ensure the life and health of workers and their families":

²⁰ Both of the ILO Conventions were ratified by the Polish government. The establishment and activities of independent (from the Party and employers) self-governing trade unions are consistent with ILO Convention No. 87, which concerns trade union freedoms and the defence of trade union rights, and ILO Convention No. 96, which concerns the right of association and the right to collective bargaining negotiations.

1. “expenses involved in health care especially in case of accidents at work ... cheap or free of charge.
2. “regular weekly rest comprising at least Sunday and ... a holiday or vacation.
3. “rights to a pension and to insurance for old age and in case of accidents at work.
4. “rights to a working environment and to manufacturing processes which are not harmful to the worker’s physical health or to their moral integrity.”
(Gruenberg, 1998)

To underpin all these rights, the Pope called for trade union rights. “All of these rights together with the need for the workers themselves to secure them... needs another right, the right of association, that is to form associations for the purpose of defending the vital interests of those employed in the various professions. These associations are called labor or trade unions... each type of work, each profession, has its own specific character which should find a particular reflection in these organizations... The experience of history teaches that organizations of this type are an indispensable element of social life, especially in modern industrial societies.” (Laborem Exercens, 1981, p. 239)

The International Labour Organization (ILO) defends workers’ rights to have their own associations. An advisory committee to the government of Jamaica described workers’ participation as “an extension of the individual’s human rights at the workplace resulting in the workers receiving recognition, treatment and attention as a human being rather than a unit of production.” (ILO, 1981).

This publication is about the formation of a free trade union in Communist Poland and is based on an interview I had with Lech Walesa in May 1981, six months before Solidarity was banned by the Polish government and its leaders put in prison.

The main contribution of the article lay in its analysis of how Solidarity, a broad-based, underground social movement, surfaced to become capable of carrying out a successful, trade union recognition strike against overwhelming odds and became a structured union representing over 10 million members in a matter of a few months in a population of 35 million. (Flanders, 1965).

First of all, Solidarity was a broadly based social movement. The formation of Solidarity had unique geopolitical consequences, and is historically credited with the first stage of the unravelling of the Soviet Union by establishing an effective power base outside the Communist Party. “Walesa’s success in establishing Solidarity, independent of the Communist hierarchy, to represent Polish workers was anathema to the Polish Party and even more so to the Soviet and other East European Parties. Solidarity challenged the Communist creed itself and threatened the foundations of Stalin’s post-war security system, for Poland is the largest East European country and through it run the lines of communication between the Soviet Union, where the Warsaw Pact weapons are made, and East Germany where so many of them are deployed.” (Reddaway, 1982).

Solidarity immediately formed alliances with another alternative power base – the Catholic Church in Poland. (Singer 1981) Observers of the political and economic scene at the time stressed how the Church in Poland helped create a climate in which the free trade union could operate against overwhelming political and economic odds. The Polish Church had its position strengthened by the election of Karol Jozef Wojtyla as the first Polish Pope, John Paul II, in 1978. His visit to Poland within eight months of becoming Pope on a 9-cathartic-day tour, involved crowds of millions. Like Lech Walesa would do later with his trade union, the Pope created public religious events that “atheistic” authorities could not be a part of. Both the union leader and the Church leader undermined the Communist state in their separate spheres by these acts of exclusion. (Later Pope John Paul II sent secret, encouraging messages to the Solidarity leaders whilst they were in prison.) On his first tour of his homeland, John Paul II identified with the union’s goals of human rights and the immediate goal of the elimination of food shortages. As Robert Moynihan wrote: “He said to a crowd of a million: ‘You are men. You have dignity. Don’t crawl on your bellies.’ It was the beginning of the end of the Soviet Union. (Moynihan 1999). After the demise of the Soviet Union in the autumn of 1989 – nine years after the birth of Solidarity – its former leader, Mikhail Gorbachev, said that the collapse of the Iron Curtain would have been impossible without John Paul II.

To mark the significance of Poland’s leadership in establishing the first free trade union movement in Communist Eastern Europe, the democratically elected leaders of former Soviet republics went to Gdansk on 31 August 2005 to join the 25th anniversary celebrations of the birth of Solidarity. The trade union’s founder, Lech Walesa, who is credited with “...transforming the workers’ organisation into a rival for political power”, spoke to the reunion. He claimed that the trade union movement “ended the Cold War, set hundreds of millions of people free far beyond the borders of Poland and enabled the creation of a truly united Europe.” (Tchorek, 2005, p. 17.)

That was the geopolitical agenda of Solidarity, but it did not begin that way. Unsatisfactory representation was the issue which led to the creation of Solidarity. The workers resented their economic plight and this resentment was triggered by the rise in the cost of meat sprung on the public on the 1st July 1980. The prices were raised before any announcement was made. It led to an immediate outbreak of wildcat strikes across the country. The dissident organisation that went by the initials KSS COR, known simply as KOR for Komitet Obrony Robotnikow, helped encourage the strike wave. Its purpose was to offer legal and financial help to victims of government oppression.

But as my article established, the strike in August 1980, was more than a strike for trade union recognition. Polish workers striking at the Lenin shipyard in Gdansk said no to the official Communist trade union system and no to corruption, to economic mismanagement, to a regime that systematically transgressed its own democratic tenets. They refused offers of a separate peace, and as they continued the strike they raised their demands for nothing less than trade union recognition across the country. In their millions, workers transferred their allegiance to a new trade union movement called Solidarity. (Bank, 1981; Macshane, 1981, pp. 23-24).

The interview article attempts to show how a broad-based social movement becomes a trade union by emerging through four steps of the model: 1) the event (the strike at the Lenin shipyard in Gdansk). 2) the confirmation of the leader (solidarity's first congress where Walesa received 55% of the vote for President, 3) forging links with outside organisations (the Polish Church, European and North American Trade Unions, etc.), 4) internal structuring (regional structure) and the first Congress.

Solidarity started drawing up plans for workers' councils that would transform "state" enterprises into "social enterprises" through self-management. At its very first congress in September-October 1981, the new union adopted this proposal for industrial democracy. These councils did not usurp the union's grievance procedures or its bargaining. There was no overlap between the union's traditional activities and the work of the council. (Lowitt, 1983)

As Lena Kolarska observed: "Solidarity answered the charges contending it was striving to take over power with the statement that the union did not create self-managements, but only supported self-managements (which had spontaneously formed all over Poland (Staniszki, 1981)). Its activity was in accord with the constitution: The enterprise is not the owner of the means of production, it only has at its disposal that part of the social property which was entrusted to it." (Kolarska, 1984)

Solidarity's position on self-management put the trade union on a collision course with the State. True, Solidarity denied that it planned to take over power. Instead its goal was to put the economy under social control and to 'socialise' the means of production. Yet there is no escaping the reality that self-management is a struggle for power and for control of the means of production. (Kolarska, 1984) Solidarity's plan to put the country under social control could only happen at the expense of the Party and the government, who would lose control of the economy. Neither the Party nor the government would allow this to occur especially as they had a coercive power at hand that the trade union did not possess – the military. (Kolarska, 1984) The government declared martial law, put the army to work and outlawed Solidarity, rounding up its leaders for internment.

Solidarity had moved carefully using the art of the possible. It did not expect all of its 21 demands made in August 1980 to be fully met. "We have not won everything we wanted, but we have won everything that is possible in the present situation. We will win the rest later, for now we have the basics – the right to strike and independent unions." (Lech Walesa 1980).²¹ Solidarity had survived its first year, half a union, half a workers' social movement. Then, when the Polish government took action against it, the attempt to destroy the trade union was swift and brutal. Solidarity was banned under marshal law on the 13th December 1981, and Lech Walesa was eventually arrested when he would not support marshal law and jailed along with ten of the trade union's top leaders. The marshal

²¹ Lech Walesa in a statement to dock workers at the close of negotiations, news dispatches dated 31 August 1980.

law put soldiers into all the jobs the government felt necessary to maintain public order. It caused people to doubt whether the free, trade union could survive. The manoeuvre forced Solidarity underground and on the defensive for many months. International interest dwindled and the threat of Soviet Russian intervention to sort out Poland's problems was growing. Solidarity's defeat seemed imminent.

The significance of what began in Poland with Solidarity's recognition strikes was recognised throughout the world. The editor of *Employee Relations*, Mike Pedler, wrote in the issue in which my article appeared, as a preface to it, a paragraph that sums up its contribution. He said "We received this article in October 1981 before the present crisis in Poland (the banning of Solidarity and the imprisonment of its leaders by the Polish government) outdated some of the material overnight. There was no intention of dropping the article though, for two reasons. Firstly, it raises a whole host of points which are important not only for their theoretical significance but also for the fact that they present a picture of contemporary Polish history. Secondly, because of the assault on free trade unionism in Poland, it becomes even more imperative for us to recollect the tremendous advances made by Solidarity over a very short period of time, and to publicise those achievements as widely as possible. We hope that this article will keep interest alive and stimulate your ideas." (Pedler, in preface to Bank 1981).

Solidarity only slowly recovered from the repression to which the Party and the government subjected the trade union. It needed another big national event, like the strike at the Lenin shipyard in Gdansk to once again unite the workers across the nation. The government unwittingly provided such an event that would once again unite the workers across Poland. On 19th October 1984, a popular young Catholic priest, Fr. Jerzy Popieluszko, a resident priest at St. Stanislaw Kostka's parish in Warsaw and a chaplain to Solidarity, was kidnapped and murdered by four members of Poland's Secret Police. He had continued to preach in support of the outlawed trade union and that had earned him immense popularity among the Polish public but also a State-sponsored campaign of intimidation against him. When he refused to be silent and continued his monthly Mass for the Homeland at St. Stanislaw Church to which workers came in their thousands, a plot to kill him was hatched. His driver, Waldek Chrostowski, escaped the attack and raised the alarm that night, but it did not save the priest. A national vigil was set up as workers across the nation demanded to know where the Solidarity priest was and who had kidnapped him. Eleven days later Fr. Popieluszko's battered body was found in an icy reservoir. The State was forced to admit that members of the Secret Police had killed the priest and a public trial was carried out when the murderers were identified. They were found guilty and imprisoned, and Solidarity gained momentum again among the public as the State was found guilty of sponsoring criminal activity to stop the free trade union. Lech Walesa said: "The tragic death of Father Popieluszko – the informal chaplain of Solidarity who gave his life for it and fell victim to a wave of violence – was an important incentive and justification for us in carrying on our struggle." (Ruane, 2004)

In his analysis of “Political power and industrial relations in Eastern Europe”, Lowitt (1983) makes three conclusions about Solidarity and the free trade union movement in Czechoslovakia, East Germany, Hungary and Rumania:

“First, Eastern Europe workers’ revolts and their demands seem... to be unusual because they are effectively inserted within a very specific context of industrial relations. During normal times, characterized by the absence of the right to assemble in associations, no major (unless gradual) change in the working class’s situation can take place. This class then tends to coil back on itself by practising daily, often individual, resistance which is invisible to the outsiders. Hence, it seems passive or indifferent whereas it is continually harassing the regime. For this reason, authorities constantly fear contagion from protesting workshops and factories... The behaviour of workers, who do not have the right to speak out, is deeply imbued with an acute consciousness of what is possible or impossible at any given moment.” (Lowitt, 1983, p. 527.)

“Secondly, during acute crises, whenever mechanism for supervising and controlling enterprises and personnel begin breaking down, limits on workers’ action tend to be pushed further apart. Without fail, the first demand is for the right to assemble in professional associations and unions. ...this action does not lose sight of a further objective. It seeks to obtain means for controlling the process of production and the forms of economic management... Union rights, especially when fully won, lead to overthrowing the system of industrial relations and modifying power relations in the workplace. The victory opens up new horizons for changing the whole society.” (Lowitt, 1983, p. 527).

Lowitt’s third point is that worker demands in Eastern Europe are a throwback to ‘traditional’ worker demands, like those of workers in the 19th century. The workers do not require an avant-garde, an elite or a party to spearhead their own emancipation. They are anti Leninist revolutionaries. (Lowitt, 1983, pp. 527-28).

Nevertheless, the starting point for Solidarity was not revolutionary. It was about trade union recognition for the purpose of collective bargaining. In 1976, Hugh Clegg published his theory of trade unionism under collective bargaining based on comparisons of six countries. (Clegg 1976). No one before him attempted to construct a theory of trade unionism by the systematic use of data from several countries to convincingly explain union behaviour. The six countries in the study were the developed countries of Australia, France, Sweden, the United Kingdom, the United States of America and Western Germany. My contention is that Poland’s Solidarity fits into Clegg’s theory of trade unionism under collective bargaining and as such has given the Polish workers an opportunity to participate in indirect or representative participation.

For Beatrice and Sydney Webb a trade union was “a continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives.” (Webb, 1897) The way the trade unions of the 19th century achieved their purpose was to impose rules on employers and they used three methods to do so:

1. unilateral trade union regulations
2. collective bargaining
3. statutory regulations

The types of trade unions then – craft union, skilled workers, semi-skilled or unskilled – determined the methods they used to influence their employers, but the dominant method was unilateral trade union regulations. Today it is collective bargaining that has become the dominant method for trade unions to establish the terms and working conditions of their members. As Clegg, (1976, p. 4) explained: “A theory of union behaviour under collective bargaining is not a general theory of trade unionism. It applies only to those trade unions which rely mainly upon regulating term of employment to maintain and improve the conditions of their members’ working lives and upon collective bargaining to regulate terms of employment. *It is arguable that this is not true of trade unions in many developing and Communist countries...Instead they rely on political action through parties and legislature to regulate terms of employment or they subordinate the regulation of employment to improving the conditions of their members’ working lives by a political transformation of society.* (emphasis added)

Clegg goes on to say that one cannot leave all these other trade unions out of his research project and establish a general theory of trade unionism. He adds: “A gargantuan research project would be required to assemble evidence, since little is known about most of the world’s trade union movements, including nearly all of those in Communist and developing countries.” (Clegg, 1976, p. 4)

Clegg admits that: “Collective bargaining can also be regarded as a form of industrial democracy. By bargaining with employers, trade unions take part in many industrial decisions, and their members therefore have a voice in those decisions by participating in the work of their unions.” Clegg, 1976, p. 83)

He then admits the split in trade unionists’ thinking whereby some regard collective bargaining as “constituting industrial democracy”, as it gives workers the most effective share in decision-making in the enterprise; whilst others see collective bargaining as a “limited form of industrial democracy” in that it needs other forms to complement it if workers are to achieve the role in decision-making in the enterprise that they are entitled to have. At the furthest end of the spectrum of participation, there are also those trade unionists who hold out for full-workers’ control of industry to constitute industrial democracy. Clegg concludes that: “So long as adequate arrangements are made for collective bargaining within the plant, collective bargaining may be regarded as a satisfactory form of industrial democracy. But where regional or industry agreements fail to provide for plant bargaining, there are demands for alternative arrangements to allow workers to exercise some influence over those matters which concern them and which cannot be adequately regulated in regional or industry agreements.” (Clegg, 1976, p. 97)

This is the view I hold throughout this synoptic paper that collective bargaining is a form of indirect or representative participation. (Lammers (1967). It is this form of

industrial democracy that was systematically denied the Polish workers under pre-Solidarity conditions by the official Polish Communist labour unions.

It is consistent with my view expressed in the article that the first of 21 demands made by Solidarity and agreed by the Government commission was for free trade unions. This first demand read: “The performance of trade unions in the Polish People’s Republic does not fulfil the hopes and expectations of employees. It is considered expedient to establish new self-governing trade unions that would genuinely represent the working class. No one will have his right to remain in the present trade unions questioned and it is possible that the two trade union movements will establish co-operation in the future.” (Ruane, 1982, p. 296.)

Publication Title: Bank, J. & Wilpert, B. (1983) What's so special about quality circles? *Journal of General Management*, Vol. 9, No.1, Autumn, pp. 21-37

	Confirmed	Contradicted	Extended	New Contribution
Theory	Dachler & Wilpert 1978 IDE – Industrial Democracy in Europe 1981		Engel (1981)	
Method				
Empirical Results	QCs share (1) compatible objectives (2) similar personnel settings (3) comparable modus operandi With 6 other forms of work organisation			A contribution to understanding QCs before their widespread application in the West

Practical or Policy Implications: Quality Circles are *not* a culture-bound, Japanese phenomenon, but can be fostered in many countries.

Publication Title: Bank, J. & Wilpert, B. (1983) What's so special about quality circles? *Journal of General Management*, Vol. 9, No.1, Autumn, pp. 21-37

This article set out to present a synoptic, international comparison of Quality Circles (QCs) with six established, related concepts and models, and compare each with QCs along many characteristics.

The six related concepts were:

1. task forces
2. semi-autonomous work groups
3. suggestion schemes
4. *learnstatt* (the German word for a scheme that attempted to link working and learning)
5. *werkoverleg* (the Dutch word for formal, shopfloor participation groups set up in Holland.)
6. total Quality Control groups

The research question was contained in the title: "What's so special about Quality Circles?" Behind that question lay a cluster of questions: Were quality circles culture-bound phenomena that had given the Japanese a vehicle for moving from a reputation for abysmal quality to one of global leadership in quality? Could QCs be exported to Western companies? Could QCs be adapted to the socio-cultural settings in the West or did they depend on the assumed strong communalistic basic value orientation so frequently attributed to Pacific rim cultures?

The contribution lay in its findings that QCs need not be circumscribed to that island nation but could be gainfully used as a management technique to produce quality internationally in many diverse cultures. By the time the article appeared, the spread of QCs around the world was already underway. But there were few academic articles written about them. Most of the discussion was anecdotal and left to journalists, consultants and propagandists (many of them Japanese) with vested interests in promoting the idea of QCs as it further enhanced Japan's worldwide reputation of superiority in producing quality produces and services.

A further contribution was made by the think-piece-type article in that it helped to identify the constituent elements of QCs and their modus operandi. Our synoptic comparison of QCs with the six related organisation structures listed above revealed both striking similarities and differences. The article did not attempt to evaluate the effectiveness of QCs as an organisational innovation in Western companies and public service agencies; that remained a wholly un-researched area in 1983. So our findings were presented in a more illustrative than comprehensive fashion. We examined QCs at four levels in the organization – individual, group, organisational, and societal levels.

The idea of QCs elicited a mixed review from trade unionists in Britain. For example, Eric Hammond, General Secretary of the EETPU, at first summed up a suspicion of the trade union movement at the time when he said. “The men and women on the shopfloor or in the office are becoming increasingly aware of how world competition affects British industry. They have a major interest in the survival and growth of manufacturing and service companies. There is a healthy trend in many areas of industry for responsibility to be pushed as far down the line as possible – so that people’s jobs are enriched by taking responsibility for the whole job, including an assessment of its quality.

“In some cases where this activity is formalised into management-generated quality circles, trade unionists have been apprehensive, if not hostile.

“They see such developments as a challenge to existing arrangements, or indeed, to trade union organisation... Elements of management may be strongly attracted to quality circles because they see them exactly in the same way.” (Hammond, 1985)

Then he stated a positive position on QCs, saying: “My view is that they are both wrong. Trade unions, as representatives of their members, have nothing to fear from their members having increasing influence over their immediate working environment... But if we are going to ask people on the shopfloor to take more responsibility for improving quality, they must be given better equipment and training to do a more effective job. Improved training and training at all levels is necessary if we are to improve our quality performance. In particular, more training in some of the techniques of quality control such as sampling, basic statistics and control charts is necessary... I have no hesitation in advising trade unionists to explore with their management and with their fellow workers how forming such circles can bring benefit to them as individuals as well as to their organisation. Such involvement would improve personal satisfaction and pride in the job as well as boosting our national performance at the level where a real remedy to our problem lies – in the plant and in the company.” (Hammond, 1985)

These comments were made in the foreword of a booklet entitled “Quality Circles” issued by the Department of Trade and Industry as part of its “National Quality Campaign”. (DTI, 1985)

Trade union reaction depended many times on how QCs were implemented. The Ford Motor company discovered QCs in 1981 and rushed in to implement them without consulting the trade unions. This resulted in a major refusal of the Transport and General Workers Union, the largest trade union at Ford in the UK, to participate in the imposed QC programme. When the union did make an exception at Ford’s centralised distribution centre for car parts in Daventry and left it to the local trade union to decide whether to be involved with Quality Circles or not, Ford there wisely consulted the trade union before any implementation took place; the convenor of shop stewards led the campaign to win support for the QC programme from T. & G. members, other trade unions and the workforce. The author was able to observe the Ford Daventry successful QC programme as a participant/observer/ consultant to the project over the course of two years. In addition to

the typical, cost saving QC proposals that were associated with the frontline involvement with problem-solving, the author gathered evidence that Ford at Daventry was able to improve industrial relations in general and even enjoy unintentional benefits of involving the workforce in changes at an early stage. One example, from many, illustrates this point. The general manager of the distribution centre used the occasion of a formal presentation to senior management of suggestions for improvements from a QC from the receiving docks to inform the work group of a change to the receiving docks that had been designed at Ford in Cologne, Germany that was about to be constructed at Daventry. Ford's German engineers on site that day made a spontaneous presentation to the QC members from the receiving docks, outlining the detailed plan to construct new receiving docks on site at a cost of £5 million. When the QC members understood the proposed design changes in the building of the new receiving docks, they were amazed at an oversight in the design (and called attention to it) that would have stopped a third of the lorries from being able to use the docks at Daventry. Feedback to the German engineers from the QC members was instant, if embarrassing for them, but the plans had to be totally redrafted to take on board the flawed design discovered by chance by the dock workers at the ad hoc presentation to their QC. There were many other examples of diminishing a "them and us" attitude at Ford in Daventry as a spin-off benefit of QCs.

As pointed out by Crouch and Heller, 1983, QCs exploded on the scene in the West in 1981-82 and management techniques that were Japanese became popular. There was no empirical work done on QCs in the West to report on in their International Yearbook on Organizational Democracy.

When, in January and February 1981, the Financial Times ran a series on QCs, claiming that they were a *recent* Japanese invention, readers had to write in to point out the newspaper's mistake. In Japan the QCs had been running for 20 years since the early '60s. "One letter actually referred to the pages in a 1952 book which described a theory and successful implementation of a quality control scheme based on the participation of a group of employees in a circle (Scott & Lynton 1952). Another made the point that one is faced here with "...a phenomenon more important than Quality Circles; it is the vicious circle of...unused findings which have to be tested and used abroad before they can be re-imported to this country some decades later." (Crouch & Heller, 1983, p. xxxix)

"We recognize that changes are sometimes organized around 'fashions' and from that point of view one can only complain about the 1980 popularity of Quality Circles if they distort reality and consequently harm genuine developments. In the case of Ford UK, this seems to have happened because the democratic nature of the method was misunderstood." (Crouch & Heller, 1983, p xxxix)

Citations: Publication Title: Bank, J. & Wilpert, B. (1983) What's so special about quality circles? *Journal of General Management*, Vol. 9, No.1, Autumn, pp. 21-37

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Publication Title: Bank, J. (1984). Suspending quality circles: Alcan Plate. In M. Robson: 136-150. *Quality Circles in Action*. Gower.

	Confirmed/ Replicated	Contradicted	Extended	New Contribution
Theory	Hutchins 1985, 1982 Lawler & Mohrman 1985 Robson, 1985 Townsend & Gebhardt 1987 Oakland & Porter 1994			
Method				
Empirical Results			Dale & Hayward 1984	Conventionally the Quality Circle literature thrived on “success stories”. This publication of Quality Circle failure ran counter to that trend.

Practical or Policy Implications:

Core principles and modus operandi of Quality Circles must be respected and adhered to.

Publication Title: Bank, J. (1984). Suspending quality circles: Alcan Plate. In M. Robson: 136-150. *Quality Circles in Action*. Gower.

This case study was a classic piece of action research in the true meaning of the word according to Edem & Huxham,(2002). They assert that “Action research involves the researcher in working with members of an operation over a matter which is of genuine concern to them and in which there is an intent by the organization members to take action based on the intervention.” (Edem & Huxham, 2002, p. 255).

Alcan Plate Ltd, a subsidiary of Aluminium Limited of Canada, who manufactured aluminium plate from its factory in Kitts Green near Birmingham, contracted with Cranfield School of Management for the graduate business school to conduct a modular management development programme for its middle level managers, primarily superintendents. Alcan’s sponsors for the management programme were the Training Manager and the Personnel Manager. The main focus of the managerial courses developed by Cranfield was to counter what senior managers observed to be a downward drift of their managers to tasks and roles below their middle management positions. The time of the training intervention was to coincide with a large-scale investment programme about to come on stream. The decision to launch Quality Circles at the plant came as part of the management training, which linked projects back at the plant to the learning modules at Cranfield, and was taken by the board at Alcan in April 1981. On the technical side of the company the Quality Supervisor and his immediate superior had both read about QCs, and one of them had attended a half-day seminar on the topic, so they were keen to start pilot QCs and welcomed the coincidence of the superintendents wanting to start QCs as part of their learning project.

Since I was both the tutor on the QC module at Cranfield and the supervisor of the QC project at the Alcan plant, I was able to observe the project at all stages of its development from its beginnings to the QCs’ initial presentations to management of their problem-solving recommendations, to their failure and suspension. I then wrote up the case study and published it firstly in a “popular” management book on Quality Circles in Action (Robson, 1985) and then later in a textbook of case studies (Tyson & Kakabadse, 1987), with notes for using the case study appearing in a third volume (Tyson & Kakabadse 1987).

The case study about a failed QC programme ran counter to the custom established by academics, business journalists, consultants and practising managers. These and other advocates of the ideals of QCs, from government officials to the directors of organisations dedicated to promoting organisational participation, wrote success stories about QCs at the time. Often anecdotal, the success stories rivalled one another as to which company, organisation, or even country, was benefiting most from QCs. For example, Toyota in Japan was trumpeted for producing in a single year 687,000 suggestions to improve its products and processes. The suggestions came mostly from its quality improvements teams in a workforce of less than 40,000. (Bank, 2000) To write about the failure of a QC programme was an exploration of the core principles of QCs. These principles were

presented along with the evidence that to neglect them and the normal modus operandi of QCs was to invite failure with the programme.

This case study confirmed work published while the case study based on action research was unfolding at the University of Manchester Institute of Science and Technology (UMIST) which was one of the first organisations in the UK to sponsor empirical research on QCs. (Dale & Hayward, 1984) UMIST published a survey of 67 British companies undertaken by Dale and Hayward in which the majority of organisations (76.2%) that experienced failure of one QC or of entire QC programmes said that they were willing to try again. In the same study, the researchers found that organisations had an average of 20 QCs each, whereas in an earlier study the average number had been 12. The research estimated the number of manufacturing companies with QC programmes as 400 to 500, and about 30 to 40 service organisations. (Dale & Hayward, 1984)

Listed as the main reason for failure of QCs is rejection of the idea by senior management and trade unions. Other top reasons for failure include: the disruption caused by redundancies and company restructuring (21.7%); labour turnover (19.3%); non-cooperation from middle and frontline managers to the idea (18.1%); and, the failure of QC leaders to find the time to organise QC meetings – the lifeblood of the QC programmes – (18.1%). The researchers put the failure rate at 20 per cent, which, they said, compared favourably with the failure rate in Japan where “One-third of circles simply make no contribution.”

Other reasons for failure were: non-cooperation of frontline supervisors (13.7%); disillusionment among quality circle members with the QC philosophy (10.8%); QCs running out of projects (10.8%); delays in management’s response to QC recommendations (8%); circle leaders not following through initial training of QC members (7.6%); and, taking on overly ambitious projects (7.2%).

According to the research, the most important factors in preventing failure were top management commitment and support, and attention to the roles of QC leader and facilitators. (Dale & Hayward, 1984)

The case study, “Suspending Quality Circles at Alcan Plate”, singled out the fundamental violations of QC core principles that added further evidence, in a case study rather than in a survey, as to why QCs fail. The major reasons were:

1. Middle managers wanted to hand down the problems for the QCs to solve rather than permitting the QCs to select their own problems to work on,
2. Superintendents – the same ones who handed down the problems to the QCs in their own work areas – attended the QC meetings. Added to the delegation of problems, this revealed a further lack of trust on the part of the superintendents which undermined the QCs and was resented by QC members.

3. Management had decided to give no QC training to the foremen who were QC leaders and none to the QC members. Instead the foremen were given some lessons on chairmanship of meetings.
4. Management over-reacted to an initial rebuff from the craft trade unions and refused to offer them another opportunity to endorse the project once they had consulted with their own trade unions about the matter. “Well they’ve had their bite of the cherry; they’ll not get another.” was the message they gave the trade unions.

In addition to these reasons for failure, the overarching reason was the instability in the company brought on by a steep decline in the demand for aluminium plate resulting in large-scale redundancies, in an already lean workforce, that unsettled the employees and their trade unions. Technical problems with a new furnace and computer system took senior managers’ attention away from the QC innovation.

In essence, all of these points were made in the Dale & Hayward, (1984) research on why QCs failed with some variation in wording. Starting with the last reasons first: Redundancies were listed as key causes by Dale and Hayward, as were trade union objections to the idea of QCs. No training likewise was a reason for failure. The lack of trust shown in superintendents giving the QCs problems to solve, and attending the QC meetings, was interpreted by QC members as lack of proper managerial support for the programme. When the huge technical problems with the new furnace and computer system preoccupied senior managers and when fall-off of the market for their product was exacerbated by the large-scale (300) redundancies, QC members found that the crucial top management support needed for success evaporated. This negative situation – the non-support of senior management – renders a QC programme untenable. (Dale & Hayward, 1984)

On 29th April 1981, the TUC issued a three-page document as guidelines for dealing with QCs. The brief document summarises the development of QCs and their main features as a management technique. It offers some reasons for management interest in the technique and then offers a trade union response. The TUC sees the managerial rationale for QCs as being to regain global competitiveness and recoup cost savings.

“QCs have the additional attraction that they involve the workforce in remedying these problems. They can thus be presented as a form of ‘participation’ – in answer to critics of British employers’ autocratic style of management – while leaving managerial authority intact. For example, QCs’ tight focus on quality problems alone makes them significantly less of a threat to ‘management’s right to manage’, than established joint consultation systems on trade union machinery.” (TUC, 1981)

The TUC document then goes on to make an insightful point that is one of the themes of much of this synoptic paper: “Trade unions have been urging employers for decades to give workers more control over the jobs they do. QCs are a belated recognition

of employees' expertise and knowledge, and the need to put them to use. At the same time, trade unionists may be understandably sceptical about the merits of the latest in a succession of 'vogue' management techniques. The document concludes with the caveats that QCs should not undermine existing trade union procedures or working methods, or be used to bypass existing trade union machinery, but that management should not keep all the benefits of QCs to itself either.

Publication Title: Bank, J. (1987) Teaching the Chinese about quality circles. In M. Warner (Ed.) *Management Reforms in China*: 99-110. Frances Pinter.

	Confirmed	Contradicted	Extended	New Contribution
Theory	Child 1975 , role of supervisor Freire 1972 (pedagogy) Robson 1982	Traditional learning style Hong Kingston (1981)		
Method				
Empirical Results	Confirmed ideas put forward by Freire 1972 in "Pedagogy of the Oppressed"		Freire 1972 concept of problem-posing education	

Practical or Policy Implications:

Provided a case study on the merits of "liberating educating" as opposed to the "banking concept of education" (Freire, 1972)

Publication Title: Bank, J. (1987) Teaching the Chinese about quality circles. In M. Warner (Ed.) *Management Reforms in China*: 99-110. Frances Pinter.

The chapter “Teaching the Chinese about quality circles” in Malcolm Warner’s book, “Management Reforms in China” is not a piece of empirical research. It is a reflective article on my own experience of a month’s teaching assignment at the Commercial Cadre Institute of Beijing.

There are two fundamentally different approaches to quality – the older of these two approaches is from the quality control disciplines used by Operations Management. The other, newer approach is from Human Resource Management (HRM). For example, throughout the 1980s British Airways developed an entire portfolio of employee relations initiatives including Putting People First (PPF) and Customer First Teams which were Quality Circles. (Blyton & Turnbull, 2004, p.96) My orientation and the perspective of my publication about quality are from Human Resources. By contrast the perspective taken by David Hutchins (1985) is from a Quality Control/Operations Management perspective.

Quality Circles (QCs) were initially called Quality Control Circles. They began in 1962 in Japan after both Edwards Deming and Joseph M. Juran had special seminars with Japan’s top industrial leaders in sequential summer sessions. Their teachings were linked to those of Professor K. Ishikawa, (1963) and other Japanese scholars in quality control to give rise to a national drive to commit to quality. (Yoshino, 1968; Imaizumi, 1981) As Dr. Juran himself predicted in the late 1960’s, “The Quality Control Circle movement is a tremendous one which no other country seems able to imitate. Through the development of this movement Japan will be swept to world leadership in Quality.” (Hutchins, 1985)

As early as June 1966, at the European Organisation for Quality Control meeting in Stockholm, the phenomenon of Japanese Quality Control Circles was discussed by the quality control and quality assurance delegates to the conference. They were seen as a culture-bound managerial technique. It was an entrenched position Professor Bernhard Wilpert and I tried to dislodge in our article, “What’s so special about quality circles?” (Bank & Wilpert, 1983)

But it was only in the mid-1970s and early 1980s, when the need for better quality in products and services in the West, which was partly in response to our lack of competitiveness with the Japanese, became fused with Human Resource Management and the people-focused, Excellence literature (Peters & Waterman, 1982) and demanded greater organisational participation for all employees, that QCs became imperative for Western companies and organisations.

In large part due to its complex national strategy for quality, including over a million QCs, Japan, an island nation with virtually no natural resources, turned around its reputation for producing poor quality products to become a global leader of quality goods and services. (Ouchi, 1984) The country’s export success in 1980, meant that it could

support a population nearly twice the size of Britain by exporting \$(US) 75 billion more good than it imported. (Pascale & Athos, 1982).

The Japanese Union of Scientists and Engineers (JUSE), founded in the 1950s to promote quality control activities in industry, maintains that the Japanese saved over \$(US) 50 billion in the first sixteen years of their QC programmes, begun in 1962. JUSE estimated that since 1978, the savings made due to QCs run at \$(US) 5 billion per annum.

When China began opening out to the West in the early 1980s, it was in a similar position, in terms of quality, to that in which Japan found itself in the 1950s. It was not, therefore, surprising to us that when a delegation arrived at Cranfield University from the Commercial Cadre Institute of Beijing in the spring of 1985 to discuss subjects they wanted Cranfield School of Management faculty to teach at their University, Quality Circles was chosen, along with Information Technology, as the two topics with which they wanted to begin the joint-venture programme.

Its value lay in its emphasis on the importance of training in problem-solving techniques required for successful QC programmes. The teaching experience in the Chinese culture allowed me to test the theories of Paulo Freire, the Brazilian educationalist, put forward in his book, "Pedagogy of the Oppressed" (1972). By employing a participative teaching style, I used what Freire calls "liberating education or problem-posing education", contrasted with the traditional "banking concept". It was a challenge to use Freire's pedagogy in the Chinese culture where the "banking concept" had been enshrined for decades through Confucius teaching that relies heavily on memory.

The idea behind the importance of training QC members by the QC leader is to build up the role of the front-line management – the foreman. The foreman is the natural leader of the QC. If he is trained to train his QC members, his leadership role is enhanced. Instead of being viewed as the "man in the middle", the foreman becomes a more pivotal figure in the quality effort. He is no longer a "marginal man" caught between the conflicting demands of management and the workforce. (Roethlisberger 1945; Wray, 1949)

The role of the foreman is thus taken out of its organisational limbo. (Wray, 1949) Instead of examining his role looking downwards towards his relationship with subordinates and the effects of his behaviour on workers' performance, the alternative perspective is to view his role looking upwards – his relationship with higher management and with the corporate goals on quality. (Child, 1975)

As QC leader, with the help of a QC facilitator, the foreman has a more positive role. Together with QC members in making presentations to more senior managers, he has a chance to showcase his leadership talent and interpersonal skills. (Robson, 1982a; Townsend & Gebhardt, 1985, 1992)

Publication Title: Suspending quality circles at Alcan Plate Limited (1987). In S. Tyson & A. Kakabadse (Eds.), *Cases in Human Resource Management*: 233-239. London: William Heinemann.

	Confirmed	Contradicted	Extended	New Contribution
Theory	Hutchins 1985, 1992 Robson 1985 Lawler & Mohrman 1985 Townsend & Gebhardt 1987 Oakland & Porter 1994 <u>Replicated</u> Robson 1984			
Method				
Empirical Results				Failures of Quality Circles rarely discussed as consultants, senior managers and academics preoccupied with promotional success stories.

Practical or Policy Implications:

Involve Trade Unions from the initial stages of setting up Quality Circles, keep the invitation open-ended for trade unions to participate/support QCs.
Trust Quality Circles to act on their own with front line leadership, autonomous problem-selection, etc.

Do **not** have senior management attend QC meetings.

Publication Title: Suspending quality circles at Alcan Plate Limited (1987). In S. Tyson & A. Kakabadse (Eds.), *Cases in Human Resource Management*: 233-239. London: William Heinemann.

‘Quality Circles’ was just one way management in the UK attempted to involve their employees in their work. It was a structured way in which the employers could get workers to ‘buy into’ efficiency and quality efforts. It was one of management’s early successful strategies in relationship to employee involvement – an early attempt at creating partnerships.

As Croucher et al. pointed out: “Partnership raises the fundamental distinction between strategy and apparent practice. How far this is to be understood at face value, and how far managers’ unitarist values persist, remains an open question. The historical depth of these attitudes, evident during the Mond-Turner talks, in employers’ lukewarm interest in wartime Joint Production Committees, and in their inputs to public debate on the Bullock report many cause one to doubt that fundamental change has occurred.” (Croucher et al., 2002)

Blyton and Turnbull concede that Human Resources often take a unitarist perspective on the enterprise. “...management’s advocacy of certain types of participation represents an acknowledgement that employee commitment needs to be actively *secured* (their emphasis) rather than passively assumed, and that involving employees in decision-making is a means of achieving this. Management support for (some forms of) participation is also an acknowledgement of the potential contribution of employee knowledge to the management of the organisation – in particular, tapping valuable employee experience and benefiting from their suggestions regarding the way work tasks are organised and performed.” (Blyton & Turnbull, 2004, p. 258) In encouraging such employee participation, management is also recognising that many people at work are genuine stakeholders in the enterprise, investing, as they do, their lives in the businesses they work for and expecting not just wages but genuine opportunities for involvement commensurate with the time and energy they give to work. (Blyton & Turnbull, 2004)

But the authors caution that one should distinguish, as Clegg et al. (1978:5) did, that these forms of employee participation most often supported by management tend to be “soft on power” and have to do with job-level daily operational matters, as opposed to those forms of participation that are “harder” – ie being more “power-oriented” forms of participation which challenge managerial prerogatives on major organisational decision-making and joint regulation. They cite the establishment of the store forums under the partnership agreements as examples of soft forms of participation. (Blyton & Turnbull, 2004)

In the Alcan case study, the partnership approach taken by management was flawed. At first they invited the trade unions to participate in the programme, but when trade union leaders failed to attend the initial, introductory meetings because they were awaiting advice from their individual craft trade unions, the managerial attitude that prevailed was, at first,

to exclude them from further involvement with QCs at Alcan. Fortunately cooler heads prevailed and this overreaction was neutralised.

This case study was essentially the same as the one published earlier as Bank, J. (1984). *Suspending quality circles: Alcan Plate*. In M. Robson: 136-150. *Quality Circles in Action*. Gower. See commentary above pp. 96-99.

In their critical article, "Quality Circles After the Fad", Lawler & Mohrman (1985) state that too often QCs are something the managers at the top of the organisation tell the managers at the middle of the organisation to do to those employees at the bottom of the organisation and therefore it does not work well.

In a way, that is what happened at Alcan. The idea for QCs came from senior managers – the Quality Manager, and the Personnel Manager. These two told the middle managers – the training manager and the superintendents to set up QCs at the shopfloor. It meant that the motivation for QCs did not emerge from the shopfloor. It also meant that because the effort was management-driven, the superintendents were afraid to let the QCs alone. They decided to attend the meeting and to run the meetings, even to the extent of giving the QCs their first problems to solve. Just the presence of middle managers, who have more power and knowledge than the QC leader and members, at the meeting can defeat the purpose of QCs making their contribution as autonomous problem-solving groups. Ordinary members would tend to defer to the middle managers present.

In the mid-1980s the idea of QCs had widespread support. A 1982 study by the New York Stock Exchange revealed that 44 per cent of all US companies with more than 500 employees had QC programmes; nearly three out of four had started their programmes after 1980. A considered estimate by the mid-1980s, 90 per cent of the Fortune 500 companies had QC programmes. Blue chip companies like IBM, TRW, Honeywell, Westinghouse, Digital Equipment, and Xerox made extensive use of QC structures. (Lawler & Mohrman, 1985)

The authors acknowledge the popularity of QCs as a first step towards participation. They list four features of QCs that contribute to their popularity:

1. They are accessible in that a QC programme can be purchased off the shelf for a set price that includes the training of QC leaders and facilitators by consultants, books and other training materials, and supervision by the consultants during the start up period, etc.
2. Not everyone is involved in QCs, just volunteers from various parts of the business; so they can be easily controlled. They can, as in the Alcan Case Study presented here, be simple pilot projects. By starting with just a few, if these prove successful, more can be created, without great cost or risk of large-scale failure.

3. Management has nothing to lose in terms of power or managerial prerogatives; the QCs have no decision-making power. They make recommendations to solve problems to management that can be ignored.
4. QCs have a fad status as symbols of modern participative management. As in the Alcan case, the idea to have QCs came from two directions – a quality control manager going on a one-day programme about them, and sessions for their middle managers at a business school.

(Lawler & Mohrman, 1985)

Failures of QCs according to Lawler & Mohrman (1995) are inherent in their design. The destructive forces run throughout the phases of a QC programme. They include: low volunteer rate; inadequate training; and, an inability to learn group-process and problem-solving skills at the start-up stage. Alcan QCs experienced all of these. Not only were QC members not trained in problem-solving – the heart of any QC programme – their leaders were not trained in problem-solving but instead given some vague training in chairing groups.

At the initial problem-solving stage the destructive forces at work include: disagreement on problems to be solved; and lack of knowledge of operations. Alcan QCs had problems dictated to them by the superintendents who sat in on the QC meetings. This is a perfect formula for showing lack of trust in the judgement and competence of the QC members and undermining any sense of ownership of the problems or their proposed solutions.

At the approval of initial recommendations stage of a QC programme, the destructive forces lurking about include resistance by staff groups and middle managers to the recommendations that the QCs come up with. Another difficulty to deal with at the presentation stage is with members making the presentations; it is easy for them to make poor presentations due to lack of information or skills, or an unawareness of the knock-on effects of their recommendations to other work groups.

The implementation stage is also dangerous to the existence of QCs as many things can go wrong here. Costs of the recommendations can be prohibitive. The work groups charged with the implementation of the recommendations can resist them for many reasons. Managers often feel threatened by QC recommendations because they feel an implicit, and at times explicit, criticism from the suggestions. Shouldn't they have been already doing it as part of their job?

When the time comes to expand the programme, if successful, other destructive forces emerge. There is tension between employees who are members and non-members, as the QCs are not inclusive of the entire workforce. Some QCs have raised aspirations. Others run out of problems. Since QCs are parallel organisations, there are additional costs to an expanded programme. Sometimes the savings are not realised or the recommendations not fully implemented swiftly enough. QC members, realising the value of their Circle work, want to be rewarded. If a programme goes into decline, fewer QCs

meet regularly, and members and other employees can become cynical about QCs or members can experience burnout.

Because QCs are an unstable structure and may self-destruct, Lawler and Mohrman, whilst recognising their short-term successes, do not recommend them as a first step towards participative management. Instead they recommend task forces, work teams and a changed work environment as part of a more comprehensive organisational participation programme. (Lawler & Mohrman, 1986).

Publication Title: Suspending quality circles: Alcan Plate Limited. In S. Tyson & A. Kakabadse (Eds.) (1987), *Cases in human resource management: Teachers' case study guide*, 230-240. London: William Heinemann.

	Confirmed	Contradicted	Extended	New Contribution
Theory	Hutchins 1985, 1992 Robson 1985 Lawler & Mohrman 1985 Townsend & Gebhardt 1987 Oakland & Porter 1994 <u>Replicated</u> Robson 1984			
Method				
Empirical Results				Failures of Quality Circles rarely discussed as consultants, senior managers and academics preoccupied with promotional success stories.

Practical or Policy Implications:

Involve Trade Unions from the initial stages of setting up Quality Circles, keep the invitation open-ended for trade unions to participate/support QCs. Trust Quality Circles to act on their own with front line leadership, autonomous problem-selection, etc.

.Do **not** have senior management attend QC meetings.

Publication Title: Suspending quality circles: Alcan Plate Limited. In S. Tyson & A. Kakabadse (Eds.) (1987), *Cases in human resource management: Teachers' case study guide*, 230-240. London: William Heinemann.

In this case study, Alcan's senior managers, Graham Johnson, Ken Smith and the superintendents do not consider the Quality Circle (QC) programme at Alcan Plate a failure. It is rather a 'qualified success'. They hope to adjust their ideas on QCs a little, drawing on their two years' experience with them.

However, studies of QC programmes in the US and Canada suggest that there are five common reasons for failure: (Lawler & Mohrman 1985, 1986)

1. Not preparing the organisation for change. The transition from an autocratic management style to a participative one is far-ranging. It requires changes in attitude and behaviour from the top to the bottom of the organisation. Unless a company is willing to fit QCs into a framework of genuine employee participation and involvement, chances of success are slim.

Particular attention must be paid to supervisors and middle managers, who may see the introduction of QCs as a threat to the power and authority. Actually in genuine participation programmes no one loses power. There is a power-rise for everyone in the system as communications improve up and down the organisation, problems are solved at appropriate levels and shared decision-making becomes the normal way of doing things. QCs then become a vital part of the new form of employee involvement.

2. Isolated problem solving. Circles can fail if their problem-solving focus fails to take account of knock-on effects and interface problems with other departments and work groups. Unless a QC holds fast to the principles of focusing first on problems in its own work area, it may tackle a problem that is not particular to its activities and therefore not solvable by its members.

Sometimes a solution decided on by one QC could have an adverse effect on another department, a knock-on effect – that is negative for the company. It would be especially abrasive if one workgroup were to be applauded for a QC success which adversely affected another group. Hence the crucial role of the QC facilitator in anticipating interface problems.

3. Poor diagnosis. Superficial work by QCs could focus on symptoms rather than root causes of problems. What may appear to be a communications problem in an office environment may actually be a role clarification problem. Were a QC to recommend communications training to deal with the problem instead of a clarification of roles and job standards, it would be wide of the mark. Many organisational problems must be examined from a systems or structural point of view rather than at work group level.

4. Undisciplined priority selection. QC groups often fall into the 'squeaky wheel trap' and deal first with problems raised by the most vocal employees or managers. Quieter problems affecting the silent majority may be neglected as a Circle goes for a quick success. Good Circle leaders and facilitators should help Circles select problems according to definite criteria.
5. Not integrating all communication levels. Four interconnected levels of communication exist in organisations:
 - (i) Organisation to outside environment.
 - (ii) Group to group.
 - (iii) Individual to group.
 - (iv) Individual to individual.

QC programmes often focus on the individual-to-group relationship and, if not careful, can become a closed club. Efforts must be made to keep all lines of communication open. Simple gestures like the posting of minutes and the sending of minutes to other managers and to trade union representatives are important. The organisation should be viewed as an interconnected system, with QCs fully integrated into the system, for the Circles to be most effective.

The Alcan Plate Ltd case study revealed an organisational impatience for quick results and an immediate change of company culture through a few quality circles. This is not the experience of other organisations. For example, Ed Kowaleski of the Ford Motor Company (US) summed up the 4½-year experience of QCs at Ford's in San Francisco, saying it took 18 months to get results. The pay-off of the programme came in attitude change away from 'them and us' to more positive co-operation and participation. A similar attitudinal change brought on by QCs came from the Alcan experience. In fact, Graham Johnson, a senior manager at Alcan, sees this as the primary achievement – to date – of Alcan Plate's QC programme. "A Quality Circle", he said, "is a tool with which I can get some help in changing people's attitudes. Even though we've stopped having meetings, we've had employees saying 'When's the next Circle meeting because I've got this idea?' ... We've not had a meeting in over six months and they still flag problems and want to get going again. It's been almost a revolution and it had to happen or otherwise we'd have gone under. Now their attitude is amazingly positive and we cannot let Quality Circles drop."

Publication Title: Bank J. (1992). *The Essence of Total Quality Management*. Prentice Hall, Pearson Education, 203 pages. (Part of the “Essence of Management” series.)

	Confirmed/ Replicated	Contradicted	Extended	New Contribution
Theory	Deming 1988a Juran 1981 Ishikawa 1976 Crosby 1979 Oakland 1994			
Method				
Empirical Results				Cost of quality Case study: NASA’s Challenger Space Shuttle Launch, 1986

Practical or Policy Implications:

TQM can be an effective philosophy for initiating a quality-focus in any organisation and a way of empowering people to deal with both customer requirements for internal and external customers. Unless an organisation undergoes a complete cultural change to accommodate the new principles of empowerment, organisational participation can be short-lived.

Publication Title: Bank J. (1992). *The Essence of Total Quality Management*. Prentice Hall, Pearson Education, 203 pages. (Part of the “Essence of Management” series.)

This publication came out when Total Quality Management (TQM) was at the crest of its popularity. Empowerment of employees encapsulated in TQM was also peaking in popularity in the West. The powerful dynamics between the two was achieving synergy and what seemed to be an unstoppable momentum. I was part of a cadre of academic writers who wrote of TQM as a management philosophy with staying power, not as a managerial fad in a long line of managerial fads. TQM was mainstream and would continue into the distant future. Others felt the same way.

As Blyton and Turnbull wrote: “A continuing management need to secure active co-operation and employee contribution, together with the growth of various forms of downward communications and upward problem-solving machinery, points to the likelihood of forms of employee involvement and participation remaining significant features of employee relations in coming years.” (Blyton & Turnbull, 2004, p. 273)

As I have done at the outset of this paper, they point to the Consultation Directive to foster a new wave of employee participation, reinforced by the widespread continuance of team-working. How much these activities will result in genuine employee influence over their work and companies is a more open question. However, as the authors explain: “An additional development over the last two decades further underlines this point. The increased attention being paid to Total Quality Management (TQM) from the 1980s onwards has been identified by some as significantly enhancing the prospects for employee participation. (Hill, 1991) More importantly, exponents talk of ‘worker’ empowerment and ‘mutual dependency’ between management and labour.” (Blyton & Turnbull, 2004, p 273-4.)

It is not surprising, as my TQM book is based on the mainline messages of TQM from the original leading exponents of the management philosophy, that Blyton and Turnbull identify the main tenets of TQM from these founders as seeking total customer satisfaction through quality processes that include continuous improvement, and a radical change of company culture. The main features of that desired cultural change are also well identified. They include: more open communications; high trust relationships; the involvement of everyone in the organisation meeting the needs of their customer – both internal and external customers; and, an organised approach to creative problem-solving in small groups to improve business processes. (Blyton & Turnbull, 2004, p. 273).

For companies that implement TQM, Hill maintains: “decentralization and participation represent a major change in the style of managing for most companies, a shift from individual decision-taking and authoritative, top-down communications towards a more collective style with greater two-way communications and less emphasis on giving and receiving commands.” (Hill, 1991, p. 561. In Blyton & Turnbull, 2004, p. 273).

The empirical research as to how workers evaluate the participation they experience through TQM empowerment shows mixed results. Hill, for example, cites the cultural change that comes with TQM. It impacts on senior and middle managers being more ready to devolve their decisions to empowered employees. But as the decisions tend to be limited ones about work tasks and work organisation, the participation itself is low-level. Since quality targets are derived from the needs of internal and external customers, the scope for genuine high-trust, high-powered participation is limited. As Blyton and Turnbull sum-up: "...workers tend to experience TQM as a 'low-trust' activity." (Delbridge et al., 1992, p. 102 and Klein, 1989, p. 64. In Blyton & Turnbull, 2004, p 274)

Rather than experiencing true participation from TQM empowerment groups, there is a serious amount of evidence which points to workers' evaluation of that type of participation as nothing more than experiencing a system of 'information and control.' (Taylor et al., 1991; Dawson & Webb, 1989, p. 236; Legge, 1995, pp. 208-46; Sewell & Wilkinson, 1992; and, contributions to Wilkinson & Wilmott, 1995)

This position is summarised by Delbridge and Turnbull as: "*Responsibility is devolved to the shopfloor, but not control, which remains highly centralized in the hands of management. Employees are only required to participate in incremental improvements to product quality and process efficiency, which simply incorporates workers into the projects of capital without extending any real control or collective autonomy to the workforce.*" (Delbridge & Turnbull (1992), pp. 65-6, as it appears in Blyton & Turnbull, (2004) p. 274.)

Critics of TQM, as a strategy for empowering employees, attack service workers in the host of customer care programmes created by TQM programmes for a similar reason to the shopfloor experience of TQM. Whilst not giving service workers any more autonomy, the companies are holding them accountable for any failures to deliver a quality service to internal and external customers. (Harris & Ogbonna, 2002; Korczynski, 2002)

Blyton and Turnbull take a positive but realistic view of the future of participation. "Notwithstanding the various developments at organisational, national and international levels, ranging from teamworking and Total Quality to EC Directives – suggesting prospects for an extension of employee involvement and participation – a number of significant obstacles remain to the general development of participation. Above all, in the vast majority of cases, organisations remain rigidly hierarchical, with an overriding emphasis on individual responsibility and accountability, top-down decisions and a strict adherence to a hierarchically-ordered chain of command. Both the CBI and the TUC concur that UK companies, on the whole, are over-controlled and under-managed (CBI/TUC, 2001) which is hardly conducive to encouraging real and effective employee participation." (Blyton & Turnbull, 2004, p. 275).

That sort of structure simply is not in sync with the ideals and processes of TQM and its strategy of empowering employees at all levels in the organisation to take on more responsibility for the quality of their work inside the organisation and for the products and services they deliver to the end users. Overly controlled organisations do not devolve

information and decision-making to empowered groups easily, nor are they responsive to the ideas that percolate through from quality teams.

Perhaps the most extensive empirical research conducted on companies with TQM programmes was undertaken by Lawler et al. (1992) on the Fortune 1000 companies. It examined their practices and their results. Professor Lawler, with over two decades of experience researching organisational participation and employee involvement, is the founder and director of the University of Southern California's Centre for Effective Organizations. At the time of undertaking the extensive TQM research, he had written over 200 articles and 18 books on the topic and related concepts.

Lawler et al. stated at the outset of their work that there was a considerable gap in the research on employee involvement. "Despite great interest in the topic and a great deal of research, little systematic information exists on why companies are adopting employee involvement, what types of practices they are adopting as part of their employee involvement programs, and how effective they think employee involvement is." (Lawler et al., 1992, xv.) The 1992 research was a phase two project following on from a 1987 survey of Fortune 1000 companies that looked at the types of employee involvement practices being adopted by Fortune 1000 corporations and on their views of the effectiveness of these practices. (Lawler et al, 1989). The later research reported on a follow-up survey of the Fortune 1000 companies. It was the first study to report changes over time in the adoption rate for employee involvement practices in the major American companies. It showed which companies were using employee involvement and what results they were getting from it. The study provided the first systematic data on employee involvement trends in the US. On the reasons for starting a programme in the first place Lawler examined the two main reasons for adopting a participative management style:

- 1) that it will result in organisational effectiveness (Lawler, 1986)
- 2) that it is a "satisfying and ethically superior approach to managing" (Sashkin, 1984).

The vast majority of US firms undertook employee involvement for the first of these two reasons. They were pursuing gains in productivity, quality, employee motivation and morale. Values and ethical reasons did not figure largely in their decision. Employee involvement (EI) was good for business and companies undertook it to improve their bottom lines in the face of more fierce competition. In accordance with the reasons for EI, the decision to undertake was shown to have been made by the chairman and senior managers, rather than operational unit or line managers. Trade unions, (Herrick, 1990) despite their interest in the topic, were rarely seen as the impetus for EI. (Lawler et al., 1992)

Some of the conclusions Lawler et al. draw from their data confirm EI practice among UK companies. For example, on information-sharing there is a similar dearth of information that management seems willing to share with their employees and this lack of information-sharing undermines genuine employee participation. It is a sign of what, in the

UK, is identified as 'low-trust' where genuine employee participation requires the opposite – 'high-trust.' (Blyton & Turnbull, 2004, pp. 274-276)

As Lawler et al. explain, employee involvement necessarily increases the flow of information in organisations, but only to a moderate degree. As they put it: "Our results show that Fortune 1000 corporations share only limited information with employees. There is little sign of change from 1987 to 1990, despite acceptance of the idea that information sharing is a critical part of many involvement and total quality programs. In essence, many organizations provide only what the law requires them to make available to shareholders: overall business results. Most employees do not get good information on the direction and success of the business. *Therefore, it is hard to imagine employees being meaningfully involved in decisions that affect anything more than their immediate job duties.*" (emphasis added) (Lawler et al., 1992, p. 15)

Publication Title: Bank, J. (2000). *The Essence of Total Quality Management*. 2nd ed. Prentice Hall, Pearson Education, 259 pages. (Stand-alone title.)

	Confirmed/ Replicated	Contradicted	Extended	New Contribution
Theory	Deming 1988a Juran 1981 Ishikawa 1976 Crosby 1979 Oakland 1994			
Method				
Empirical Results				Cost of quality Case study: NASA's Challenger Space Shuttle Launch, 1986

Practical or Policy Implications:

TQM can be an effective philosophy for initiating a quality-focus in any organisation and a way of empowering people to deal with both customer requirements for internal and external customers. Unless an organisation undergoes a complete cultural change to accommodate the new principles of empowerment, organisational participation can be short-lived.

Publication Title: Bank, J. (2000). *The Essence of Total Quality Management*. 2nd ed. Prentice Hall, Pearson Education, 259 pages. (Stand-alone title.)

Organisational participation can be “encapsulated within another schema, like Total Quality Management (TQM).” (Heller et al., 1998, p. 2.) This encapsulation is part of the philosophy of TQM and part of its implementation as my book indicated.

This book was not empirical work, but rather written for practitioners and managers as leaders of their organisations with the aim of pulling together the theory of TQM and best practice of the principles including the key components of employee participation and empowerment. My work argued that organisational participation in decision-making occurs when a TQM programme is first launched – everyone is involved from the chairman, CEO and senior managers to every layer of management from the top of the organisation to the bottom to include all frontline employees in the cascaded training that takes place in their natural work groups. The inclusion continues as employees, in their natural work groups, map the business processes they use in delivering quality goods and services to their internal and external customers. Then in those same work groups as members of quality teams, employees engage in problem identification and problem-solving to ensure quality. Some of them will become involved in documenting their processes in writing to achieve ISO 9000 and other quality accreditations.

Lawler et al. (1992) in doing their research on TQM in the Fortune 1000 companies distinguished different organisational approaches to employee involvement on the basis of patterns of involvement practices that they adopt. They used a statistical technique, cluster analysis, based on their assumption that companies will tend to implement clusters of power-sharing, information, knowledge, and reward practices that are consistent with one another. They then looked at how the patterns that emerged were reflected in the use of different employee involvement practices. Their work built on that of other academics who classified employment practices. (Cotton et al., 1988; Dachler & Wilpert, 1978)

Cotton’s theoretical typologies made distinctions between participation in work decisions, consultative participation (as in QC programmes), short-term participation (as in TQM training), informal participation (as in relations between supervisor and subordinates), employee ownership (as in management buyout or genuine co-operatives) (Oakeshott, 1978), and representative participation (as in works councils or collective bargaining. (Clegg, 1976) Whilst these theoretical typologies can be useful to practitioners and academic researchers when it comes to designing employee participation schemes, forcing them to see the variety of schemes they might use, the typologies themselves are not supported by data as to which are better. Hence the cluster analysis offered a data-based approach to classifying the different types of participation. (Lawler et al., 1992, p. 31)

Their cluster analysis indicated that organisations could be divided into four basic types, in terms of how they used employee involvement:

1. Low users of employee involvement practices
2. Average users of employee involvement practices
3. High users of employee of employee involvement practices, and
4. Reward-oriented users of employee involvement practices.

The very fact that three of the four types, low users, average users, and high users (representing 77 per cent of all cases) could be distinguished simply by the level of employee involvement activity, indicates that companies who implement any type of power-sharing, information, knowledge, or reward practice to a certain degree relative to other companies, tend to implement other practices to the same relative degree. This finding suggests that an organisation learns that a firm cannot change one part of its structure in isolation, rather it will have to change other parts too. Making the shift to high-involvement management is a “systemic change” requiring many adjustments to meet this progressive change. Few companies in their sample fell into the heavy users of employee involvement category and even fewer into the reward-oriented users group. (Lawler et al., 1992, p. 32)

This second edition of the earlier TQM book, and published nine years later, made the same argument that management was under global competitive pressure to undertake continuous improvement through employee involvement and TQM. As Blyton & Turnbull (2004) maintain, HRM in most cases attempts to achieve greater employee commitment through employee involvement as one of its important components. (Marchington, 1992:176) But they argue that HRM has been taken up by a relatively small number of organisations. The need for active workforce co-operation is being increased by “production pressures created by JIT, TQM and more generally by lower staffing levels and more intensive work systems.” (Blyton & Turnbull, 2004, p. 273.) The authors point out that the goals of TQM cannot be met unless there are significant and important “changes in management’s attitude and approach to employee relations”. Their new management style must do more than bring about compliance from the workforce as in the past. “For the language of ‘customer care’, ‘continuous improvement’ and ‘total quality management’ to be translated into meaningful activity, this requires the active co-operation, contribution, and knowledge of the workforce.” (p. 363)

The second edition of “The Essence of Total Quality Management” was enlarged from the first edition by over 50 pages. One of the changes was to give some examples of TQM working in small to medium-sized enterprises (SMEs) as well as the large multinationals. Another change was to introduce a chapter on evaluating TQM programmes and a discussion of quality awards such as the Deming Prize (Japan), The Malcolm Baldrige National Quality Award (USA) and the European Quality Award. An attempt was made to include more international examples throughout the book.

The quality awards were part of the respective governments’ efforts to improve quality through a rigorous prize. The process involves detailed applications for the prize competition to be made by companies and organisations. After applying for the particular award, they are subjected to close scrutiny by the award examiners. The feedback from the

examiners, in itself, is valuable to the organisation, whether or not they are eventually awarded a prize. The application process, likewise, in itself is a demanding exercise, often requiring the help of consultants to complete it properly.

As the Chairman of the Board of Overseers, Malcolm Baldrige National Quality Award (1989-1991), Robert W. Galvin said: “The Baldrige process does, indeed, have a national consequence. If every institution in the United States – service, manufacturing, and public – would embrace the philosophy of meeting the standards of the Baldrige Award, and would commit to them with genuine enthusiasm, there would be a tremendous leveraging effect on our country as a whole.” (Steeple, 1993) Galvin then goes on to predict the possibility that the Gross Domestic Product could rise “a minimum of one percentage point.” Whilst typical of the high-flown rhetoric that has surrounded the beginning of the quality movement in America, Galvin’s remarks were not without some grounding in reality. At the time of his role as Chairman of the Board of Overseers for the Malcolm Baldrige National Award, he was also CEO of Motorola Inc., a multinational company that had benefited greatly from TQM.

Quality books fall into four categories;

1. Highly technical books, written for quality control practitioners and weighted heavily towards quality implementation in manufacturing.(for example: Shewart, 1980).
2. Primers written for business leaders and MBA students on the background to TQM and how programmes are initiated and led, and what results can be expected. These books may also give elementary TQM tools for problem-solving and reducing the cost of quality. (for example: Oakland, 1993).
3. ‘How to’ books that give detailed plans for structuring and documenting a TQM programme in preparation for applying for a quality award or a quality certification such as the Malcolm Baldrige National Award or the European Quality Award or ISO 9000. (as in Steeples, 1993).
4. Academic texts that evaluate TQM programmes (such as Lawler et al., 1992).

The earlier edition of this publication and this second edition fall into category 2 with some attempts at evaluation.

Doherty, N., Bank, J. & Vinnicombe, S. (1996). Managing Survivors: the Experience of Survivors in BT and the British Financial Services. *The Journal of Managerial Psychology*. 11(7), 51-60.

	Confirmed/ Replicated	Contradicted	Extended	New Contribution
Theory	Kobasa 1993 Noer 1993 Hamilton 1996 Rousseau & Anton 1991		Sparrow 1995	
Method				
Empirical Results				

Practical or Policy Implications:

Both leavers and survivors need to participate in decisions that affect their futures

Doherty, N., Bank, J. & Vinnicombe, S. (1996). Managing survivors: The experience of survivors in BT and the British financial services. *The Journal of Managerial Psychology*. 11(7), 51-60.

Downsizing, begun in earnest in the 1990s, has become a permanent feature on Britain's economic landscape and elsewhere in the West. Four reasons for it are:

1. the need to control costs
2. fierce competition on a global scale
3. re-engineering, and
4. a response to new technology

It is unlikely that these underlying and persistent reasons will diminish in the near future. Hence downsizing will continue.

This publication was entitled: "Managing survivors: The experience of survivors in BT and the British financial services." Its contribution lay in its further empirical evidence of the effects of downsizing on both the leavers and those who remained in the organisation. It also documents the new psychological contract, the so-called new deal at work. (Rousseau & Anton, 1988; Noer, 1993; Kobasa, 1993; Doherty & Tyson, 1993; Hilltrop, 1995; Sparrow, 1998; Hall, 1996; Herriot & Pemberton, 1997; Doherty, 2000).

The new psychological contract (Hilltrop, 1995; Hitt et al., 1994; Robinson & Morrison, 1995; Sparrow, 1996; Herriot et al., 1997) between BT employees and the company, like all psychological contracts, is implicit and distinct from the employment contract which is a legal document. The quid pro quo thrust of the new contract involves a shift:

From:	To:
Position	Contribution
Status	Expertise
Rank	Competence
Length of service	Skill enhancement
Job security	Employability
Regular work	Meaningful work
Frequent promotions	Development opportunities
Well-defined roles	Freedom and empowerment

A contract of employment is a document, legally binding on both parties, that sets out the terms of employment. It may specify, for example, hours of work, holiday entitlement and rules of conduct. In addition to that formal contract, however, there exists an informal, broader, dynamic, underwritten contract – the psychological contract – that indicates what employees and organisations want and expect of each other. There is

nothing formal or legal about the psychological contract. Since the late 1980s this psychological contract has been changing. “As a result of all sorts of pressure and trends on both sides,” Jean-Marie Hilltrop (1995, p. 286) explained, “such characteristics of corporate employment as stability, permanence, predictability, fairness, tradition and mutual respect are out. In are new features of self-reliance, flexibility and adaptability.”

The term ‘psychological contract’ was first used by Chris Argyris and Harry Levinson in the 1960s to describe the subjective nature of the employee’s interpretation of the employment relationship. How do you integrate the needs of normal individuals and the task demands of competitive organisations? It is a dilemma that still requires attention especially as the balance of power in the matter has shifted to the employers. It is the employers who have the upper hand and dictate the terms of the new psychological contract or the new deal at work. The uniqueness of the psychological contract is that it is voluntary, subjective, informal, individually oriented and reciprocal. It evolves and flourishes with time. When this unwritten contract is violated it affects the employee more than the employer, as he or she is unable to influence the fundamental issues. When employers impose widespread redundancies, for example, the terms of the contract are changed unilaterally and that understandably results in feelings of anger and mistrust on the part of the employees if they are victims of downsizing. A similar betrayal of the contract can occur even for people who keep their jobs and experience the survivor syndrome. Thus, in order to appreciate the depth and extent of feelings concerning the new psychological contract, two perspectives are examined, the employers and their view concerning jobs for life, and that of the employees.

The idea of a lifelong career in one company – quite common in the past – seems increasingly remote today. Organisations are not offering it. Equally, many people would not be interested in such an offer! Today, instead of developing detailed long-term career plans, employees are encouraged to jump off career ladders, especially when their competencies no longer meet the organisation’s requirements. The elaborate career ladders of the past have in many cases been removed. Many of the remaining ones contain only three or four rungs (instead of, say, 27) as organisations have been flattened.

The ending of lifetime employment has become so acceptable, the following dialogue was included by playwright, David Hare (2000) in one of his new plays:

Victor: “The idea of long-term employment is a thing of the past. A job is no longer for life...Paul, you are the modern man, you embody the ideal. Experience becomes a ceaseless search for experience...Slap! It goes on your C.V. ‘I worked for Victor Quinn.’ It now seems incredible. My father had a job and the expectation of the same job for life. Now we live longer, we expect to live many lives, not one. Freelance culture persuades us to believe we may start again. But is it true?” (David Hare, *My Zinc Bed*, p. 125)

Not all the changes originate at the top; employee expectations are also evolving to reflect changes in the environment. The high unemployment resulting from downsizing, re-engineering and fierce global competition has combined with demographics to alter the

economy – and hence people’s expectations. Now, more than ever before, they want to know what is going on in the organisations they work for – why certain decisions are made and strategies enacted. Better educated than employees of earlier eras, they insist on making their own contribution to decision-making. They expect to be valued and recognised for their creativity, energy and efforts that are indispensable to the success of the enterprises for which they work.

Many have risen to the challenges posed by cross-cultural team-working and by a more open management style. They enjoy empowerment and relish the system of accountability required by new performance management. They celebrate the freedom of portable benefits and the resulting mobility. They develop new competencies and stay with an organisation only as long as they find it challenging. They are struggling to avoid cynicism and disillusionment. They want to discover how to rebuild trust between themselves and their organisations, engendering loyalty but more on their terms. In exchange for a renewed commitment they expect personal and professional development.

Analysing both the old (see Table 1.1) and the new (see Table 1.2) psychological contracts in terms of implicit assumptions, strategies and positive and negative outcomes will help to illustrate how different they are and why they have been adopted unevenly across various industries at different times. (Naturally, assigning a positive or negative value to an outcome implies a judgement on the part of the author; an outcome like having an older workforce can be considered either positively or negatively depending on one’s viewpoint.)

Table 1.1 Old psychological contract (compiled by John Bank, Based on Noer, D.M. (1993), *Healing the wounds: Overcoming the trauma of lay offs and revitalizing downsized organisations*, San Francisco: Jossey Bass. In A. Kakabadse, J. Bank & S. Vinnicombe, (2004) *Working in organizations*. London: Penguin pp.47-48.

Implicit assumptions (based on old environment)	Strategies	(+) Positive and (-) negative outcomes
Employment relationship is long- term	Benefits and services that reward tenure Employee recognition processes that reinforce long- term relationship	(+) Older workforce is strong (-) Demographically restricted workforce (+) Experienced workforce
Reward for performance is promotion	Linear compensation systems Linear status symbols Fixed job descriptions Static performance standards	(-) Plateaued workforce (-) Demonstrative (betrayed) workforce (+) Loyal workforce (+) Clarity of expectations
Management is paternalistic	Excessive and duplicative support services Long-term career planning systems	(-) Dependent workforce (+) Committed workforce
Loyalty means remaining with the organization	Approved career paths only within the organisation Voluntary turnover penalised Internal promotion, discouragement of external hiring	(-) Narrow workforce (-) Mediocre workforce (-) Non-diverse workforce (-) Complacent workforce (+) High performers retained
Lifetime career is offered	Fitting in Relationships	(+) Co-dependent workforce (+) Contentment

Table 1.2 New psychological contract (compiled by John Bank, Based on Noer, D.M. (1993), *Healing the wounds: Overcoming the trauma of lay offs and revitalizing downsized organisations*. San Francisco: Jossey Bass. In A. Kakabadse, J. Bank & S. Vinnicombe, (2004). *Working in organizations*. London: Penguin pp.47-48.

Implicit assumptions (based on new environment)	Strategies	(+) Positive and (-) negative outcomes
Employment relationship is situational	Flexible and portable benefit plans Tenure-free recognition systems Blurred distinctions between full-time, part-time and temporary employees	(+) Flexible workforce (-) Lack of continuity (-) Lack of security (-) Uncommitted workforce (-) Worried employees (-) Lack of loyalty
Reward for performance is acknowledgement of contribution and relevance	Job enrichment and employee participation The philosophy of quality Self-directing work teams Non-hierarchical performance and reward systems	(-) Motivated workforce (+) Task focused workforce (-) Path to promotion now unclear (-) Frightened workforce (-) Higher turnover
Management is empowering	Employee autonomy No 'taking care' of employees No detailed long-term career planning Tough love	(+) Empowered workforce (-) Resentful workforce (-) Isolated subgroups (-) Work overload
Loyalty means responsibility and good work	Non-traditional career paths In/out process Employee choice Accelerated diversity recruiting	(+) Responsible workforce (-) Cult of individual
Explicit job contracting is offered	Short-term job planning Not signing up for life No assumption of lifetime caretaking	(+) Employee and organisation bonded around good work

“Between 1900 and 2000 over seven million redundancies were declared in Britain.” (Blyton & Turnbull, 2004). The scales and the causes of many of these redundancies made them different from those normally associated with a downturn in the economy. Cost-cutting has become a common reason behind redundancies even when firms are doing well and the economy is buoyant. (Blyton & Turnbull, 2004, p. 75)

Often downsizings are sold to the employees as a means of ensuring the long-term survival of the company by making firms “lean and mean”. But, as Blyton and Turnbull, (2004, p. 76) observed: As a result, downsizing is rarely “lean”, in terms of being part of a *systematic* programme to improve organisational performance through just-in-time, total quality management, team working and the like, but it is often ‘mean’, with adverse effects on employees (both victims and survivors) and organisational performance. (See Kinnie et al., 1998).

Noer (1993) suggests that organisational participation in downsizing decisions and early, clear, heartfelt communications from managers that show they share the pain of downsizing is best practice in the US, where the strategy of downsizing originated. It is not surprising that the economist credited with originating the practice feels that businesses have gone too far with it. Wave after wave of downsizing is producing both human loss and corporate memory loss. “The sight of so many bodies on the corporate scrap heap is sparking a corporate debate about profits and legality, and about the benefits and unforeseen consequences of layoffs.” (Uchitelle & Kleinfield, 1996)

Downsizing is here to stay. Against this backdrop, organisations need to focus on strategies that can be used to manage survivors effectively. There is overwhelming data that confirms the presence of the survivor syndrome in organisations post downsizing. The focus needs to shift actively in creating an environment where people can contribute and grow in the reality of uncertainty.

Yet, in seven years, BT downsized its workforce from 248,000 in 1989 to 120,000 in 1996 (at a cost of £24 billion) and was still promising more job cuts as our research came to a close. BT was the first major British company to downsize. It attempted to do so with annual exercises the company called “release schemes”. At first it was voluntary and the more enterprising employees happily took the “golden parachutes” and left the company. But later the reward packages for leaving dwindled and jobs were targeted.

We were able to highlight the importance of looking after both the leavers and those who remained in the company. In the past the emphasis was mainly on the leavers. They received career counselling, job search, skill development and other supports to ensure a smooth passage out of the company. Their workmates who remained with the company appreciated the treatment the leavers received, but they also felt short-changed by the company. Many of those who remained experienced the effects of the change as deeply as those who were made redundant. They experienced shared reactions and adverse behaviours we identified as the ‘survivor syndrome’. They experienced a range of negative emotions that included shock, disbelief, betrayal, animosity towards management, and

concern about their colleagues. These emotions were expressed in decreased motivation, lower morale, and guilt and fear about job security.

The research showed that the best way to manage downsizing was to involve people in the downsizing decisions. Our work confirmed a growing body of research that argued for getting people to participate as early as possible in the downsizing processes, whether they were leaving or staying. Managers being open and honest with the workforce was crucial to make the transitions as smooth as possible. They needed to show that they shared the pain. They needed to empathise with the survivors who were growing surer of the company's future whilst becoming acutely unsure about their personal futures. They had to recover from a triple blow:

1. the loss of their colleagues, some of whom were close personal friends
2. the experience of a threat to their own jobs in the near future as the crisis was ongoing
3. the redesign of their work load as they saw it double and triple.

Overall, the data we presented both from BT and the British financial services substantiated the reality of the survivor syndrome at both the individual level and the organisational level. Companies needed to help the survivors deal with their development needs when they found the reasons for downsizing rationally acceptable, but difficult to accept emotionally. (Noer, 1993)

The reality of the new psychological contract was made clear, where jobs for life could no longer be promised and where career upward mobility in the company was substituted by horizontal challenges and short-term contracting. The pressure was on people to keep their competencies up-to-date (as well as their CVs). This new flexibility could benefit both the resilient employee and the organisation they worked for in Protean careers. (Hall, 1996)

This work added to an understanding of managerial perceptions of the impact of redundancies on remaining employees. It extended knowledge of the types of organisational strategies used to manage survivors, exploring the impact on survivors and their career opportunities. (Doherty & Horsted, 1995, 1996)

Other research projects (Noer, 1993) were confirmed by our work on the need for companies to address, as early in the process as possible, the individual transition and personal development needs as they linked to the organisational change strategy. The challenge is to give people as much scope as possible to participate in the changes rather than to have the changes thrust upon them. A participative strategy is required to restore loyalty, commitment and motivation, essential for rebuilding and maintaining trust in the survivors. The EEC's democratic imperative is dramatically revealed in redundancy situations – that people should have a role in making decisions that affect them in the social, political and economic order, even when they may fight a rearguard action against

changes that they perceive to be inimical to their interests. (European Communities Commission, 1975)

The overall thrust of the chapter containing the BT case study and the entire article is to suggest that, although downsizing is detrimental for the organisation and that in most cases it results in the survivor syndrome, which is made up of a medley of negative emotional reactions, there is much to gain for the individual and the organisation from positive strategies that help to develop resilient employees who thrive on the reality of uncertainty. The new emphasis (both at the academic and practitioner level) needs to shift from a preoccupation with survivors' negative and hostile reactions and an implicit acceptance that change is a threat to developing ways of creating an environment where people regard change as a challenge and an opportunity for personal growth and gain.

Another contribution of our work with BT managers confronting downsizing on a massive scale was to apply psychological measures that revealed the need to understand individual differences in the context of resilience to the downsizing situation. A full range of personality traits has been used to study how individuals cope with significant changes.

The case study shows that hardiness as a construct was particularly relevant to the context of downsizing. Kobasa (1993) defines hardiness as "personal construct consisting of the three interrelated components of challenge, control and commitment." Hardy people are found to view change as a challenge, feel a sense of control over the events that occur in their lives, and have a sense of commitment and involvement in their activities. Individuals high in hardiness are known to have higher levels of both physical and psychological energy and well-being than individuals low in hardiness after the experience of stressful events such as downsizing. Hamilton (1996) in her research on occupational stress, occasioned by a merger between Glaxo Research and Development with the Wellcome Foundation that resulted in downsizing, revealed different responses from "high hardy" and "low hardy" employees. The "high hardy" personality made more positive appraisals of downsizing and developed superior ways of coping with them, whenever possible turning these events to personal advantage. For example, in dealing with the work overload that often comes with surviving a downsizing, the high hardy employee just got on with it, completing tasks without as much planning, applying the Pareto principle (the 80:20 law) in tackling those tasks where they would have the most impact. By contrast the low hardy employees made more work for themselves just by the way they went about it, often over-planning their tasks, aiming for perfection, etc. Hence we attempted to get BT managers to focus on developing a high hardy approach to the new situation they found themselves in with a view to discovering both coping mechanism and residual personal strengths.

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Conclusion

Throughout this synoptic paper, whilst drawing mostly on Industrial Relations, some Sociology and Psychology, I have attempted to show how the eleven publications I have submitted for a PhD by Publication represent a “substantial, continuous and coherent body of work” on the theme of Trade Union, Managerial and Employee Perceptions of Organizational Participation and Democracy at Work.. I tried to demonstrate that these publications, taken individually and collectively, have made an original contribution to knowledge on this theme. By reviewing the literature on this particular topic I showed how my work not only fitted into the extensive area of study referred to as organisational participation, but made a small contribution to it. I hope I have not claimed too much for the work. I tried to balance my own opinions of it with its reputation and, wherever possible, with the judgements of others. But if I may quote one of my co-authors, “Balance is not the same as neutrality; we believe there is a case for blending the political goals of freedom, liberty and democracy with organizational policies which recognize and respect human needs for continuous growth, dignity and feelings of self-worth.” (Wilpert, 1989).

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Appendix A

Updates

Employment

July 2004

Consulting Employees: The Information And Consultation Regulations

Although legislation already requires an employer to inform and consult with the workforce in a few specific situations, such as TUPE transfers and collective redundancies, the UK and Ireland are the only countries of the EU that do not have laws requiring employers to inform and consult with their employees generally. This is about to change. From 23 March 2005, regulations will come into force imposing new obligations on employers to inform and consult with their employees.

The Regulations will implement the European Information and Consultation Directive 2002 and will apply to all businesses whose registered office, head office or principal place of business is situated in Great Britain. Employers with 150 or more employees will become subject to the Regulations from March 2005, those with 100 or more from March 2007 and those with 50 or more from March 2008.

The Government's research showed that employers throughout Europe inform and consult with their workforces in an infinite number of ways and, sensibly, it was decided that it would be undesirable to impose a single, statutory regime on employers here. Instead, the Regulations give employers complete flexibility as to how they should inform and consult - a flexibility which is limited only by a requirement to reach consensus with the workforce in accordance with a procedure set out in the Regulations.

Negotiations over an agreement can be initiated by the employer or by 10% or more of the workforce. The Regulations set out a default regime (called the "standard information and consultation provisions") for informing and consulting employees which will apply if negotiations are initiated and the parties fail to reach agreement by negotiation within six months. The dilemma for an employer will be whether to "do nothing" and wait for the employees to take the initiative or seize the initiative itself. We think it is better for the employer to lead the debate and try to establish a practical and effective system for informing and consulting employees which suits it. The employer will need to decide well

in advance of the date on which the Regulations will apply to its organisation whether the standard provisions will work, or whether it should try to negotiate something different with the workforce. This procedure is likely to take some time - which is why you need to start thinking now!

Where negotiations are initiated, the employees have to elect "negotiating representatives" who conduct the negotiations with the employer. There is no requirement that the agreement should contain the same elements as the standard provisions. However, the agreement must be signed by all the negotiating representatives or by a qualified majority.

The parties have 6 months to negotiate an agreement (although this period may be extended by agreement between the parties). The agreement must provide for the appointment or election of "information and consultation representatives".

The Standard Provisions

If the parties are in negotiation for six months but cannot reach an agreement, the standard provisions will apply to them. Even though there is no agreement, the employer must arrange for the employees to elect information and consultation representatives to whom it must provide the following information:-

- (a) on the recent and probable development of the business's activities and economic situation (i.e. what the business has been doing, where it is going and how financially sound it is). This is an obligation to provide information only - there is no requirement to consult the Representatives over the information provided;
- (b) on the situation, structure and probable development of employment within the business and any envisaged anticipatory measures in particular where there is a threat to employment (i.e. are the jobs safe?). In relation to this type of information, the employer must both inform and consult the representatives;
- (c) on decisions likely to lead to substantial changes in work organisation or in contractual relations including decisions relating to collective bargaining arrangements and TUPE transfers (i.e. any reorganizations of the workplace or workforce or material changes in terms and conditions). This heading imposes the highest burden on the employer as it must consult the representatives "with a view to reaching agreement on decisions within the scope of the employer's powers".

Penalties of up to £75,000 can be imposed on a party (including the employer, one of the elected representatives or an individual employee) who has not complied with a provision of a negotiated agreement or the standard provisions, whichever applies.

The employer and the information and consultation representatives can agree at any time to change whatever information and consultation arrangements are in force (whether

under an agreement or under the standard provisions). However, the parties can only be forced to renegotiate at three-yearly intervals. It is therefore important for the employer to take the initiative to introduce procedures that will suit it. In some organisations, this could require merely institutionalising procedures that already exist, but for many, the employer will have to start from scratch.

Stephen Morrall
Charles Urquhart

¹ Note: Transfer of Undertakings (Protection of Employment) Regulations 1981.

² Note: The Information and Consultation Regulations, currently issued in draft but due to be issued in autumn 2004.

Appendix B(1)

Worker Directors Speak – Contribution to the Industrial Democracy debate

1. Sir Donald Barron, Chairman, Rowntree Macintosh Limited

“This book is a valuable record of an experiment which has gone on quietly and constructively for a significant period of years. Its publication is most timely and will enlighten the debate on industrial democracy now taking place in many countries in the world.”

2. John Boyd, CBE, General Secretary, Amalgamated Union of Engineering Workers

“...illuminating, authoritative, factual – not theoretical or fictional. Essential reading for everybody interested in the question of trade union representatives sitting on company boards.”

3. Rt. Hon Michael Foot, PC, MP, Lord President of the Council

“I hope that everyone interested in both the steel industry and industrial democracy will read this book...The demand for the extension of industrial democracy, in one form or another, is likely to be a leading feature of the political scene for years to come, and here we may learn from those who have had some direct experience.”

4. Lord Watkinson, PC, CH, President, Confederation of British Industry (CBI)

“...a timely contribution to the debate on employee participation...Although we believe that employee representation at board level will not usually be a suitable form of participation, we believe that certain companies may wish to provide for worker directors. Your publication will provide companies that wish to go down this road with valuable first-hand guidance on some of the many problems involved,”

5. Patrick Wintour, Industrial Society

“...a valuable contribution towards a better understanding of the problems which will be faced by future worker directors. We hope that the experience of these pioneers will not be ignored by the theorists of industry who have so often failed to consider the evidence before them.”

6. Brian Stanley, General Secretary, Post Office, Engineering Union

“...the book provides an excellent insight into the very real and practical problems faced by the individuals concerned with the scheme. The problems faced and the way in which they are developed and identified in laymen’s terms and language, which gives the book a

directness and appeal absent from more theoretically-based positions on the topic. I regard the book as being essential reading for any prospective 'worker director' and for anybody interested in the topic in a more general fashion."

7. Clive Jenkins, General Secretary, Association of Scientific, Technical and Managerial Staffs (ASTMS)

"This book illustrates just how disillusioning it can be to have 'worker directors', where they are cut off from their constituents, divorced from their unions and not elected by them. It is a salutary set of case histories from what was a disaster area for industrial democracy."

8. Peter Parker, Chairman, British Railways Board

"...practical, vivid, realistic, critical and, in its record of employee directors, unique. The presentation is direct, in language with its sleeves rolled up."

9. Len Murray, General Secretary, Trades Union Congress

"...a useful and stimulating contribution to the current debate."

10. Giles Radice, MP, Chairman, Fabian Society

"...essential reading for any would-be worker director and for others interested in the subject of industrial democracy...It is highly recommended."

11. Peter Walker, MP

"At a time when industrial democracy is one of the major political issues, I warmly welcome this book. Having seen, as Secretary of State for Trade and Industry the important contribution that worker directors made to the Steel Board I am delighted that this important and significant story has now been written up."

12. Ian Gordon-Brown, Director, Industrial Participation Association

" unique and important...full of sound practical sense...a mine of information and advice for all who must prepare for the possible advent of employee-directors on the boards of British companies."

Appendix B(2)

BOOK REVIEW

Worker Directors Speak*

The British Steel Corporation Employee
Directors with John Bank and Ken Jones

In 1968, after discussion between the British Steel Corporation, The Trades Union Congress, and the trade unions in the steel industry 12 employees were appointed Directors to the Divisional Boards of the British Steel Corporation. Since that date 27 men have been involved in the experiment, one of whom has been on the Corporation's Main Board since 1970.

This unique and important book tells the inside story of how the men involved thought and felt, the problems they have encountered, their successes and their failures. It is full of sound practical sense—a mine of information and advice for all who must prepare for the possible advent of employee directors on the boards of British companies.

IN the current debate on industrial democracy one voice has yet to be heard—that of the small but important group of elected employee directors working today in British industry. By far the most significant UK experiment in this area, if one excepts the John Lewis Partnership, is that developed since 1968 by the British Steel Corporation. Today there are 17 worker directors on divisional boards and one who is a member of the Corporation's main board. These 18 steelworkers have set down in this book the thoughts and feelings arising from their unique experience.

How well did they cope with a task for which no precedent existed? Can a worker director be a trade union official and an effective board member

at the same time? Are they sell-outs to management? Or subversives? Is confidentiality a problem? How does the pressure affect their private lives? What happens when there is a strike?

Setting the record straight

Despite a 12 month inquiry by the Bullock Committee, their views were not sought. The civil service committee of inquiry into industrial democracy in the nationalised industries—the Lord Committee has failed to contact them. The BSC employee directors resent this indifference. As one said: "I admit that the terms of reference of the Bullock Committee excluded the public sector, but the same practical problems will be faced by employee directors in the private sector as at the BSC... yet nobody asked us for our views".

* Published by Gower Press, hardcover, at £5.00. IPA special paperback edition at £2, plus 20p post and packing.

And another: "We are fed up with people being critical of the worker directors without knowing what the hell they're talking about. We want to set the record straight, to communicate our experience of participation—what we do, how we do it, what we're thinking about for the future".

The 17 employee directors offer their experiences in this book as a positive contribution to the debate. They met and talked about these matters in fortnightly group discussions, usually held in their own time, between September 1976 and January 1977. Most of the discussions were tape recorded, typed up and fed back in further discussions and interviews. The book is the result of over 200 hours of discussion. The employee directors chose to tell their story anonymously, except for an interview with Ward Griffiths, one of the original 12 ("The Twelve Apostles" as some of them originally described themselves) who is now a member of the Corporation main board.

"Specific criticism of the employee directors maintains that they are:

- without real power
- distrusted by colleagues
- cut off from the shop floor
- lacking in ability
- enjoying power without responsibility
- hand-picked
- non-militant
- indoctrinated into management
- an erosion of managerial authority
- a career threat to managers
- controllers of information"

One of the underlying themes in the book is the very real surprise and concern of the employee directors at the nature of many of these criticisms, and the extent to which they simply do not square with the facts as they see them. As to being distrusted by colleagues, cut off from the shop floor and lacking in ability, the book argues: "How is it then that most of them are active lay officers at their respective trade unions—in some cases at very high levels? The majority of the original employee directors regained their trade union position after a four year absence—no small feat, as anyone who knows anything about the internal power conflicts of a trade union will confirm. Their position as trade union officers are confirmed annually by the general membership of the trade unions at the grass roots" . . . and . . . "Frequently, across the Corporation, employee directors are

asked by the workforce to perform some special task that demonstrates that they have the trust not only of their own union members but of the majority of the men."

They also took a hammering in the early days from many on the management side where there were few enthusiasts for the experiment.

"Management below board level couldn't understand how we could have a relationship. These men were the ones I had dealt with as a union representative. They became unsure of themselves, realising that I now had access to levels of information they didn't have. They resented this and felt they had an equal right to have this information, possibly a greater right".

Job description

While opinions regarding their effectiveness and the reasons for their problems differed, all the early employee directors agreed that "we had been thrown in at the deep end. No one had told us what we were to do. After about six months we were rather fed up and disillusioned . . . we now felt that we should have a job description that gave us certain rights".

This led to a series of discussions and a job description, arising from proposals formulated by the worker directors themselves. It included the right, after consultation with the divisional managing director, to attend and participate at such activities as advisory committees, working parties, study groups and formal and informal meetings of functional directors and local management.

"It's no good being involved only at the top level where decisions are more or less just finalised . . . you must be able to offer your judgement, concern or advice at a lower level . . . When you only attended the divisional management committee you sometimes felt you were just rubber-stamping because the decision to put in planning forms and so on came from the groups. So we asked to go to the group management committee and then found that the group had its own planning committee and that we were actually rubber-stamping that. So we moved to the planning committee within the group to get to the source of decision-making".

The process of attending sub-committees and working parties had begun in 1976, and by the end of 1974 the employee directors had been involved on main committees, sub-committees and working parties at works, divisional and national level within the Corporation.

INDUSTRIAL PARTICIPATION

Review and research

In 1972 the scheme was reviewed and a number of important changes were made. These took into account the findings of an independent research team, an internal BSC working party, the views of the TUC Steel Committee and the Corporation, and of course those of the employee directors themselves. Important lessons had been learned in those first four years, of value to all who may be concerned with employee representation at board level. The most significant of these was to allow the employee directors once more to hold trade union office. They had been required, at the start of the scheme, to relinquish all their trade union offices, and this turned out to be a fundamental mistake.

The research project referred to above was set up in 1969, sponsored by the Corporation and the Social Science Research Council, to monitor and report on the employee director scheme. The research team's report which came out as a book, *The Worker Directors*, in 1976, has been among the influences that has generated scepticism about the BSC experiment. The research team undoubtedly made an important contribution to the review process, but the employee directors themselves feel that they missed and misjudged key factors and achievements. "We felt the researchers had pre-conceived ideas about what participation should entail. They were not prepared to view these first two years as a learning period for a forward looking scheme, and showed little sympathy for the position the employee director found himself in". And another: "I agreed with many of the findings of the research team, but they missed our main achievement—we survived!"

These comments underline one of the major difficulties in attempting to assess all participation schemes. Not only is it difficult to get reliable measures of success or failure, but most people expect too much too soon. This has certainly been true of many of the BSC-scheme's critics. The time scale for the development of real participation is a lot longer than most people think. It is easy enough to plan things on paper, and to set up structures and committees. It is much more difficult to get them to work effectively, and it takes a lot of time to change attitudes.

Role conflict

Critics and supporters of the worker director idea are generally agreed that *role conflict* is the central dilemma facing all employees elected to a

board, whether of a private company or a nationalised or public corporation. How are loyalties to workers on the one hand and the overall and long term needs of a company, corporation, or industry to be reconciled? These conflicts become particularly acute when such issues as closures, demanning disputes, confidential information and long term investment have to be faced.

Twelve out of the 17 employee directors currently hold elected trade union office, ranging from "committee man" through to National President. It is therefore of special interest that only four of them admitted to experiencing role conflict. The views of these four are reflected in the following quotations: "I haven't reconciled the role of being an employee director with being a senior trade union official. It's very difficult to convince the shop floor that you are doing your damndest to influence the board to give them the best possible working conditions and pay". And: "At the moment my role as employee director can take me into all levels of discussion, which is most helpful in understanding the day-to-day management of an industry. Holding no union office I am able to talk and discuss with management without fear or favour. My status does not depend on, and is not influenced by, my holding union office. If I were a member of a union's negotiating team I could make use of information available to me in order to win a case. This possibility would be bound to make my relationship with management suffer and my ability to perform a meaningful role in general terms as an employee director would be reduced".

But most of the 17 view their dual role as employee director and trade union delegate quite differently: "I was appointed delegate from my branch. I went with a deputation and reached an agreement which was absolutely satisfactory to the branch. During the three or four long periods of negotiation to reach that agreement, my employee director's responsibilities never came into the reckoning in any shape or form. I have always held the view from that very first experience that this dual role is something that can be done and should be done".

Another man, the National President of his union, feels no role conflict as such. His conflict comes from lack of time to do two demanding 'full time' jobs: "I have no divided loyalties. As an employee director I look after the interests of all employees from the sweeper up to the chairman; as a trade union leader I look after my members' interests. The knowledge and information I acquire from both positions I hold is used effectively

IPA Special Paper Back

Worker Directors Speak

by

**The
British Steel Corporation
Employee Directors**

with

John Bank and Ken Jones

"Illuminating, authoritative,
factual" **John Boyd**

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directors, unique" **Peter Parker**

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on employee participation"
Lord Watkinson

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to achieve the most efficient industry possible for the benefit of the people who are employed in it. The steel industry, after all, belongs to the people who work in it, and the employee director or the trade union leader's job is looking after people. To do this well you must be involved in the running of the business".

Some of the employee directors who say they experience no role conflict point to decisions of trade union involvement. "Those of us who have been active in trade unions all our lives have had conflicts within the trade unions. We've met management to make claims. And then we've had to go back to the men to explain the reasons management gave us for not meeting the claims. That in itself was a conflict because we had to persuade them to accept it. I see no difference as an employee director". And another: "We all soon noticed at the board that on many issues other directors who also had executive responsibilities for a particular function or plant often had divided loyalties. So what is all the fuss about? The important thing is to be honest to the members one represents, the board on which one serves, and oneself".

The Book's message

The basic message of this book is optimism tempered by reality. Optimism because of the way the worker directors have met their challenge. Their quality is impressive. And reality because they chart so clearly the very considerable difficulties they faced. I am left with the conclusion that where men and women of calibre and integrity can be found much good can come of employee board involvement. Where they do not exist, it could be a disaster.

Ian Gordon-Brown

INDUSTRIAL PARTICIPATION

Appendix C

Trade Unions: Historical Roots to Industrial Democracy

In his view on industrial democracy, Tony Benn drew the parallel between property rights and voting in the country. At a point in the country's history the right to vote was disassociated from the ownership of property. Men without property were enfranchised and the disconnect was made clear – one could vote to govern the country without owning any of its land. Similarly, Benn argues that workers need not own the enterprises they work in to be given the right to participate in major decisions that affect them within those firms.

The immunities were in reality the British legal form of basic democratic liberties. They amounted to the same thing unions enjoyed in other countries in the form of a positive right to strike backed up by law or the constitution.

Trade Unions in England formed the Labour Party, the principal socialist party. As Harold Wilson (1976) wrote, "When the (Labour Party) Constitution was drawn up by Sidney Webb in 1918, the Party hardly envisaged the possibility of a Labour government."²²

Some trade unionists expressed a deep-seated preference of the bargaining parties for complete autonomy in their relations. They have wanted their bargaining to be free and have, accordingly, rejected not only intervention by Governments, but any control of their bargaining activities by their own central organizations." Flanders (1969) took issue with them and their way of asserting the "voluntary principle".

It was no longer possible in modern society to have this untrammelled freedom. The planning of productivity, wage and price controls all had to exert some constraints on the degrees of freedom of the bargainers. The only alternative course of action was to return to the market economy of the 19th century, which was not possible. Thomason believes that in this approach Flanders lines himself up with the thinking of the Webbs. He cites Sydney Webb's memorandum to the Report of the Royal Commission on Trade Disputes 1906 where he said: "I cannot accept the assumption underlying the Report, that a system of organized struggles between employers and workmen, leading inevitably now and again to strikes and lockouts – though it is, from the standpoint of the community as a whole, and improvement on individual bargaining – represents the only method, or even a desirable method, by which to settle the conditions of employment... I cannot believe that a civilized community will permanently continue to abandon the adjustment of industrial disputes – and incidentally the regulation of the conditions of life of the mass of its people – to what is, in reality, the arbitrament of private war". (p. 18.)²³

²² Wilson, H. (1976) "The Governance of Britain". London: Weidenfeld and Nicolson, and Michael Joseph. p. 158.

²³ In Thomason, G. (1976). *A textbook of personnel management*: 126.. Institute of Personnel Management.

Historical links between industrial democracy and the political right to vote were drawn by the eminent historian Lord Bullock. At the conclusion of the Report of the Committee of Inquiry on Industrial Democracy, Lord Bullock first complained of the failure of the nation to draw the energies and skills of the workforce to its full potential. "It is our belief that the way to release those energies, to provide greater satisfaction in the workplace and to assist in raising the level of productivity and efficiency in British industry – and with it the living standards of the nation – is not by recrimination or exhortation but by putting the relationship between capital and labour on a new basis which will involve not just management but the whole workforce in sharing responsibility for the success and profitability of the enterprise. Such a change in the industrial outlook and atmosphere will only come about, however, as a result of giving the representatives of the employees a real, and not a sham or token, share in making strategic decisions about the future of an enterprise which in the past have been reserved to management and the representatives of the shareholders."²⁴

He then concluded his Report by drawing attention to the parallels between political and industrial democracy. The shifts in economic power to the working class and the middle class in the 19th century triggered an extension of suffrage to these new players in Britain's commercial life. Those who opposed giving more people the right to vote expressed fears that the constitution would be subverted and society would fall apart. But in reality, the change brought about greater stability and prosperity. Similarly by granting a greater measure of industrial democracy to worker representatives on the boards of companies, Bullock argued we would benefit greatly from worker participation in the governance of companies. The results could be as beneficial to the country as the extension of suffrage in the 19th century.²⁵

After the Second World War in Europe, there have been prescribed methods of participation and power-sharing between different levels of employees and owners, starting with co-determination schemes in Germany. (Heller et al, 1998, p. 2) There, under the influences of the allies, the coal, iron and steel industry companies had a system of participation imposed on them, whereby 50% of the members of the top supervisory board came from worker representatives and 50% from shareholder representatives. The worker directors were watchdogs to ensure that the companies would not engage in rearmament activities. Outside those industries, the supervisor board was composed of one-third worker representatives, one-third from management and one-third from the shareholders. Co-determination was designed for companies with more than 2,000 members, but in 1975 the system had been so effective it was extended to companies with only 200 employees and the 50:50 model became the norm as workers gained near parity with shareholders on the supervisory boards. (The Chairman had to come from the shareholder representatives and he had the critical tie-breaking vote in any dead-locked decisions.) The statutory approach to participation continues in Sweden and Denmark.

²⁴ Bullock, *ibid.* p. 160

²⁵ Bullock, *ibid.* p. 162

In the Industrial Democracy in Europe (IDE, 1981) study of 12 countries, the importance of statutory support for organisational participation was placed along with managerial attitudes as the twin factors that explained the diversity in levels of industrial democracy in the 12 countries. Where participation has statutory support, as in Germany, Sweden and Denmark, or where managerial attitudes were more positive to shared decision-making, participation levels were higher. “However, the comparatively low overall level of participation identified by this study, and the variation between different enterprises within a single country, is understandable only by taking account of the many other variables which can influence the depth and scope of participation.” (Blyton & Turnbull, 2004, p. 257)

The issue of industrial democracy became a highly significant and at the same time controversial topic in socio-political discussions in many parts of the world in the 1970s, particularly in Europe. As Walker (1977) observed: “Workers’ participation in management in one form or another, is now widely practiced in the industrial world. And its extension is continuously debated. Although the problem of in what ways, and to what extent, workers should and can take part in managerial functions has been on the agenda of various social reformers since the nineteenth century, it was only in the third quarter of the twentieth century that large-scale attempts were made to put the idea into practice.”

Appendix D

Economy & Business

Stunning Turnaround at Tarrytown

Workers and bosses cooperate to boost productivity

American-made automobiles last week were again selling like Edsels. Mid-April car sales by General Motors, Ford and Chrysler dropped 32% from the same period a year earlier. Detroit continues to struggle with the dark reputation that it turns out cars inferior to those made by Japanese or West German manufacturers and that American workers are not sufficiently productive. But one Big Three plant belies such notoriety. The General Motors factory in Tarrytown, N.Y., one of the plants where the company assembles its hot-selling front-wheel-drive Chevrolet Citations, has earned the reputation of being perhaps the giant automaker's most efficient assembly facility. Tarrytown's current renown is more surprising because in the early 1970s the 55-year-old plant was infamous for having one of the worst labor-relations and poorest quality records at GM.

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The turnaround at Tarrytown grew out of the realization by local management and union representatives that inefficiencies and industrial strife threatened the plant's

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May 5, 1980



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Business

- Those Small Business Blues
- That New Santa Fe Travail
- Inflation Stamp
- No-Pinch Cutoff

continued operation. Automakers sometimes use forced plant closings caused by sluggish auto sales to unload a lemon facility. Ford, for example, decided two weeks ago to shut the gates of its huge Mahwah, N. J., plant largely because it had a poor quality record. After Tarrytown lost a truck production facility in 1971, bosses and workers became fearful for their jobs and got together to find better ways to build cars. At first hesitantly but later with enthusiasm, they embarked on an unusual joint experiment to improve work and to tap shop-floor expertise for running the factory.

The setting for the initiative could hardly have been more dismal. Some 7% of the plant's workers were regularly failing to appear for work, and the number of outstanding employee grievances against management totaled 2,000. The result of the confrontation and conflict was sloppy work, rapidly rising dealer complaints, and an unprecedented number of disciplinary and dismissal notices. "Workers and bosses were constantly at each other's throats," recalls Gus Beirne, then general superintendent of the plant. Agrees Larry Sheridan, the former United Auto Workers shop chairman at Tarrytown: "It sure as hell was a battleground."

The first significant payoff from the new mood at the plant came at model changeover time in 1972 and then again the following year. GM management showed workers the proposed changes in the assembly line and invited their comments. Says Beirne: "A lot of good ideas came forward, and we were shown a lot of problems we didn't realize existed. Things we had missed were picked up, and we had time to implement them before the start of the new models."

The cost savings produced by simply sharing information with the shop floor encouraged Tarrytown's executives to move further. In 1972, the plant's supervisors began holding regular meetings with workers on company time to discuss worker complaints and ideas for boosting efficiency. In order to turn the gripe sessions into something more substantive, both sides agreed to bring in an outside consultant to organize worker-participation projects. They chose Sydney Rubinstein, 52, a former blue-collar tool-and-die worker and white-collar engineer, who had become an expert on worker innovation and productivity.

Rubinstein's first breakthrough came in a trial project with Tarrytown's 30 windshield installers. Half of the workers had been disciplined during the previous six months for poor work. During discussions it was revealed that each worker selected a different point around the windshield to begin applying the sealant. One worker explained that he started at the spot where the radio antenna wires emerged from the windshield because "you get a little extra adhesive, a puddle, and that stops leaks." That little trick was new to the other workers, the foreman and the plant engineers. The method was immediately adopted and resulted in a rapid reduction in the number of dealers' complaints. Later, the plant's body-shop workers held informal discussions on welding problems. Within a few months, the percentage of bad welds dropped from 35% to 1.5%. When the small voluntary program of worker participation was expanded to the plant's 3,800 employees, 95% of them took part. The plan eventually cost GM \$1.5 million.

As a result of these projects, workers say, they now readily inform supervisors that they would rather discuss problems than knock heads. "The evolution that has taken place is terrific," says Ray Calore, president of the local U.A.W. "There are no longer any hidden-ball tricks. If management has a problem, we sit and discuss it." The U.A.W. insists that job-participation programs like those at Tarrytown are neither a panacea to end all labor disputes nor just a management tool to boost output. But giving workers a greater voice in their job can improve productivity by bringing about declines in grievances, absenteeism and waste.

The benefits of the new attitudes are clear. Since 1976, the Tarrytown plant has turned out high-quality products. There are now only about 30 outstanding worker grievances, while absenteeism has fallen by two-thirds, to 2.5%. Disciplinary orders, firings, worker turnover and breakage all show significant declines. The clear lesson from Tarrytown is that both management and workers can cooperate to their mutual advantage to boost job satisfaction and increase productivity. Says Dartmouth Business Administration Professor Robert H. Guest: "Tarrytown represents in microcosm the beginnings of what may become commonplace in the future—a new collaborative approach on the part of management, unions and workers to improve the quality of life at work in its broadest sense."

Appendix E

A note on the Literature Search

My review of the literature began with an examination of the historical context of Industrial Democracy about thirty years ago. First, a word on the method of this review. This is not a “systematic review” of the literature. More than a million references are generated in a computer search by entering the three words: “Industrial, Democracy, UK.” In a more focussed search, 765 academic journal references appear in the ProQuest AB/INFORM Advanced Management Search under “Industrial Democracy” (1974-2004), of which I have examined approximately 70 academic journal articles for this review. The articles selected met the criterion of being an empirical article about an aspect of industrial democracy or employee involvement that was either a form of indirect participation, ie. shared decision-making at the company level through representatives or direct participation, ie. shared decision-making at the job level engaged in by the workers themselves. A further 50 publications that were examined – books, booklets, white and green papers, policy statements and one government-sponsored inquiry into industrial democracy, the Bullock report, are also included in this literature review. These documents were selected for their historical significance in the effort to expand industrial democracy, eg. the Bullock Report or the EEC green paper, “Employee participation and company structure”, or unique research publications such as the three books on worker directors and the six yearbooks on Organizational Democracy, and one valedictory volume edited by Frank Heller, Eugene Pusic, George Strauss and Bernard Wilpert that carefully monitored the topic of industrial democracy in a multidisciplinary, rigorous way from 1981 until 1998, producing over 3,000 published pages of research on the topic as it evolved through more than two decades.

The first three International Yearbooks of Organizational Democracy by these authors published by John Wiley and Sons were:

1. Crouch, C. & Heller, F.A. (1983). *Organizational democracy and political processes*. Vol. 1, International Yearbook of Organizational Democracy: or the Study of Participation, Co-operation and Power. John Wiley & Sons.
2. Wilpert, B. & A. Sorge (Eds.) (1984). *International perspectives on organizational democracy*. International Yearbook of Organizational Democracy: for the Study of Participation, Co-operation and Power, Vol. 2. Chichester: John Wiley & Sons.
3. Stern, R.N. & S. McCarthy (Eds.) (1986). *The organizational practice of democracy*. International Yearbook of Organizational Democracy: for the Study of Participation, Co-operation and Power, Vol. 3. Chichester: John Wiley & Sons.

A further three (3) yearbooks on organizational democracy were published by these authors through Oxford University Press. They are:

1. Lammers, C.J. & G. Szell (Eds.) (1989). Organizational democracy: Taking stock". *Vol. 1, International Handbook of Participation in Organizations, for the Study of Organizational Democracy, Co-operation, and Self-Management*. Oxford University Press.
2. Russell, R. & V. Rus (Eds.) (1991). Ownership and participation". *Vol. 2. International Handbook of Participation in Organizations, for the Study of Organizational Democracy, Co-operation, and Self-Management*. Oxford University Press.
3. Lafferty, W.M. & E. Rosenstein (Eds.) (1993). The challenge of new technology and macro-political change. *Vol. 3. International Handbook of Participation in Organizations, for the Study of Organizational Democracy, Co-operation, and Self-Management*. Oxford University Press.

In addition, 25 journals were selected as the main academic journals for industrial democracy articles. The criterion for selecting articles from this sample was that they had to make a contribution to the theory underpinning employee participation and involvement.

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**People
and
Organisations**

Andrew Kakabadse

4 Alienation, participation and the worker director

JOHN BANK

One night a guy hit his head on a welding gun. He went to his knees. He was bleeding like a pig, blood was oozing out. So I stopped the line for a second and ran over to help him. The foreman turned the line on again, he almost stepped on the guy. That's the first thing they always do. They didn't even call an ambulance. The guy walked to the medic department - that's about half a mile - he had about five stitches put in his head. The foreman didn't say anything. He just turned the line on. You're nothing to any of them. That's why I hate the place.

a spot-welder in a car plant (Terkel 1975)

The assembly line is no place to work, I can tell you. There is nothing more discouraging than having a barrel beside you with 10,000 bolts in it and using them all up. Then you get another barrel with another 10,000 bolts, and you know that every one of those 10,000 bolts has to be picked up and put in exactly the same place as the last 10,000 bolts.

a factory worker (Walker and Guest 1952)

I work in a factory. For eight hours a day, five days a week, I'm the exception to the rule that life can't exist in a vacuum. Work to me is a void.

a worker in a cigarette factory

It isn't as if the employees here are going to have any real power or any real influence. That's not what it's about: what it's about is that this company, like any other company, wants a loyal, healthy and capable labour force.

a shipyard worker (Kockums)

Worker Directors have the same goals as managers - productivity and profitability. It's how you divide it out, keeping in mind a fair deal for the workers and the social implications.

a worker director in a steel plant

You really don't want a sectional foreman. He crept into the industry here in the mid-60s. Now you've got a foreman for each mill, whereas in 1939 we had only one foreman for the whole shift. When I started here you had to be accountable for your own work. You checked it. The foreman takes over this responsibility and the worker begins to feel less a man. It breeds indifference. Any man, don't matter who he is or what he is, likes a bit of responsibility.

a worker director in a rolling mill

The reality of shopfloor alienation is banal. Academics have criss-crossed the familiar landscape and signposted it. They have drawn out the dimensions of alienation distinguishing between powerlessness, meaninglessness, isolation and self-estrangement. Whilst their analysis is helpful, they spend little time on cures for alienation.

From a practitioner's point of view I find that employee participation is a powerful antidote to alienation. Not everyone would agree with such a positive interaction between participation and satisfaction. I look at that discussion first. I then sketch some of the aspects of alienation on the shopfloor that I have encountered most frequently. Various forms and levels of participation are proposed to deal with the different aspects of alienation. A clear conceptual framework is needed to begin the discussion. I then look at the present state of the art comparing the thrust of employee participation in the United States, loosely described as the quality of worklife movement, with Great Britain's search for industrial democracy. Finally I focus on the case study of the British Steel Corporation's employee directors.

There is a real danger in overstating the relationship between employee participation and individual well-being at work. The participation-satisfaction thesis is assumed to be valid by influential American writers, Argyris (1964), Bennis (1966), Likert (1967), and McGregor (1967). Paul Blumberg summed up an exhaustive review of the literature with the extraordinary claim:

There is hardly a study in the entire literature which fails to demonstrate that satisfaction in work is enhanced or that other generally acknowledged benefits accrue from a genuine increase in workers' decision making powers. Such consistency, I submit, is rare in social research. (Blumberg 1968, p. 123).

There is some doubt however as to the link between participation and satisfaction. Wall and Lischeron during a five-year research programme into worker participation found a lack of evidence in support of the participation-satisfaction thesis. They identify weaknesses in the research offered to support the thesis:

On the basis of both the correlational and experimental evidence currently available we reach the conclusion that the importance of immediate participation as a determinant of satisfaction remains undetermined. We cannot support the contention that the causal link between these two variables is well established. A number of suggestive investigations does not amount to proof, especially when considered in the context of studies which fail even to be suggestive. (Wall and Lischeron 1977, p.28)

In trying to square their findings with the opposite views expressed

by most writers in the field, Wall and Lischeron argue that most authors, especially those closely associated with the human relations approach, let their own personal values get in the way.

It is our submission that this is a consequence of interpretation of empirical evidence becoming distorted by value orientation.

Investigators, believing participative approaches to be intrinsically worthwhile, have been overeager in documenting other benefits that might accrue. This has led them to attach much greater significance to research findings than they otherwise would. (ibid, p. 147).

The matter remains unresolved awaiting further research. It is only fair at the outset of this chapter to declare my bias, albeit a research based bias, in favour of expanding areas of employee participation. I believe that there is an intrinsic value to workers' participation. It is a right rooted in the dignity of the human person. Pope John XXIII supported this view in his encyclical letter *Mater et Magistra* (1971), saying: "The present demand for workers to have a greater say in the conduct of the firm accords not only with man's nature, but also with recent progress in the economic, social and political spheres".

On the practical level I think that the coming shake-up in the industrial world due to the microprocessor and the impact of new technology - the so-called 'third wave' with widespread automation will make employee participation in decision making more critical. We will increasingly recognise that people who are the most affected by decisions in the social, political and economic order, must be involved in the making of these decisions. The new technology itself will demand change - at times radical change - and there will be a great need to ensure that industrial institutions can cope with and implement change. Such change without employee participation, in my view, will simply not be possible.

In practical terms alienation on the shopfloor, or for that matter, in the office, can be fostered by the following managerial activities:

- 1 A fragmentation of work into mindless repetitive tasks.
- 2 Overbearing supervisory control of employees.
- 3 A failure to encourage self-development on the job.
- 4 Poor attention to interpersonal relations at all levels.
- 5 A failure to recognise the felt need of employees for effective group action.
- 6 The cutting off of employee influence from decision making power centres at various levels in the company from shopfloor to boardroom.

An effective policy on employee participation, spelled out in a detailed code of practice can go a long way to discouraging such provocative managerial behaviour. It is a prerequisite to the formulation of any proactive plan for employee involvement.

Much of the confusion in the current debate on employee participation results from badly defining terms. There are two basic forms of participation - direct and indirect.

Direct participation is about employees having more say concerning their own work. They speak for themselves about work or matters relating to work. Direct participation includes techniques such as opinion surveys, briefing groups, analysis and method study of jobs by groups of employees, job design and restructuring, and consultation on any changes affecting the method or rate of working or the work environment. (Lammers 1967, p. 209).

Indirect participation occurs when employees have a voice through their representatives. The focus is on the company's general policies. Procedures are formalised such as collective bargaining. Other formal participative structures include consultative committees, working parties, company councils and worker directors. (ibid) (see figure 4.1).

Direct participation

Direct participation encourages individual employees to get involved in determining how they perform various tasks; the way in which these tasks are ordered to make up their jobs, and how their job is related to others around them.

Five techniques of direct employee participation are specified: job rotation, job enlargement, job enrichment, group work, and autonomous group working. (Tripartite Steering Group on Job Satisfaction 1975, pp. 7-9).

- 1 Job rotation is a method of increasing variety in work by having the employee rotate between jobs.
- 2 Job enlargement is a method of amalgamating several tasks into a single job to break monotony and relieve pace by lengthening cycle times.
- 3 Job enrichment aims at giving an individual employee greater responsibilities. This may be done by permitting him to organise or check his own work or by seeing to it that he is involved in decisions about planning and organising the work of his unit.
- 4 Group work entails dividing all tasks into logical groups which

reflect the informal group structure among the employees doing them.

5 Autonomous working groups are created by giving employees wide discretion for planning and organising work among themselves. This process involves changing the traditional role of the supervisor from overseeing and directing to a role of giving advice and support to the group.

Redesigning jobs to meet people's needs and make their work more satisfying to them is a worthwhile end in itself. It is a way of using the resources of employees - a valuable asset for the company. It also diminishes the frustration and resentment that over a long period of time can result in low motivation, lack of cooperation, poor quality work, absenteeism, high turnover and industrial unrest and alienation. From these direct techniques of employee participation, any company can expect improved industrial relations and organisational growth.

Indirect participation

Indirect participation takes place when the company recognises trade unions and establishes formal structures by which employees may participate through their representatives in policy decisions. The most common forms of formal participative structures include:

- 1 Collective bargaining
- 2 Working parties
- 3 Consultative committees
- 4 Employee company councils
- 5 Employee representatives on company boards.

This last category is at the centre of the current debate over industrial democracy. Leaving the other more traditional forms of participation aside, this chapter will try to demonstrate that employee directors are not to be feared. They can be an asset to the company. They have a function in the boardroom and can diminish alienation.

Employee representation could be nominated to company boards by a joint selection committee composed of employee representatives to the company council, representatives of all trade unions recognised by the company, and management representatives to the company council. They could be chosen for the post of employee director by a company wide ballot of all employees.

Boardroom representation

Before outlining the role employee representatives could perform on

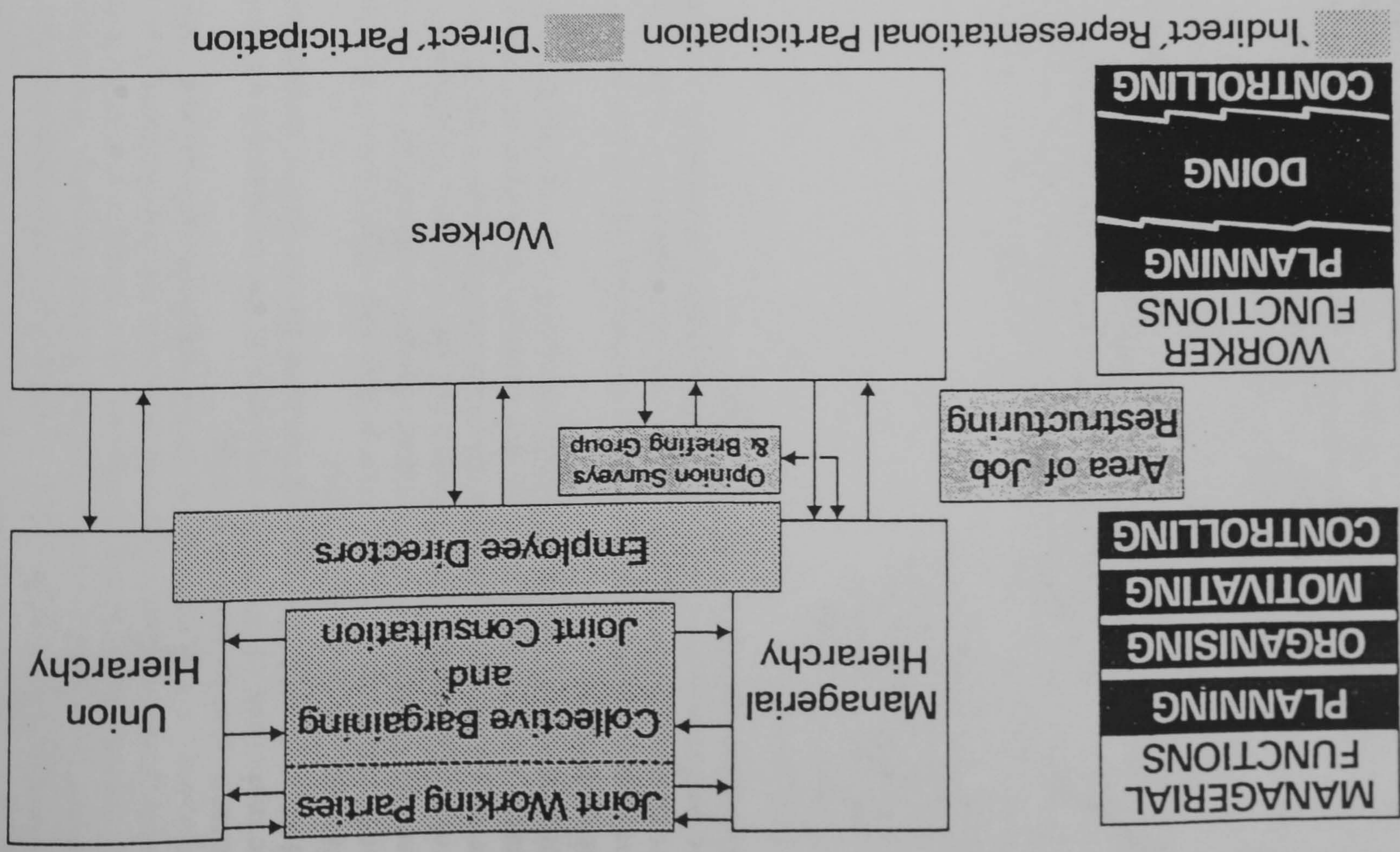


Figure 4.1

the board, it is helpful to delineate the tasks that the board is expected to perform.

The board of directors of any company are entrusted with the responsibility of acting in the interest of the company. Traditional legal interpretations define 'company' as a 'company of shareholders'. A company has responsibilities to not only its shareholders, but also to its employees, to its customers, to its suppliers, to local and national government and to society at large.

The main task of the board is to ensure the company's survival. The board must provide the desired financial resources for investment and for distribution to its employees.

The board must determine the policy and objectives of the company, choose the strategy by which these objectives should be achieved and determine the resources to be used for the purpose. As operations are underway, ultimately the control responsibility rests with the board. It creates a control system that will ensure that it does not merely respond to events, but anticipates them and actively shapes the future of the company.

The control system measures, monitors and adjusts the operations of the company. Periodically the board initiates an overall evaluation of the performance of the company, its structures and its procedures. The functions of the board then are:

- 1 Policy making
- 2 Objective setting
- 3 Strategic planning
- 4 Corporate planning
- 5 Establishing controls
- 6 Initiating evaluations

From the above it is clear that the board performs both a supervisory function and a management function. In its supervisory function the board is concerned with policies, objectives and evaluation. In the management function the board is charged with turning objectives into tangible plans. This fundamental difference between the board's supervisory function and its management function leads some managers to advocate splitting the board into two: a policy and an executive board. I do not accept the need for such a two-tier board.

However, I do feel the need for employee representatives on company boards and I see this step as a positive advantage to the companies. In some sense worker directors can be the full-flowering of a participation system. They can certainly be an antidote to alienation.

Curing alienation

The work of Robert Blauner, *Alienation and Freedom*, is to build up a comprehensive picture of alienation in industry. Alienation is

a quality of personal experience which results from specific kinds of social arrangements. It exists when workers are unable to control their immediate work processes, to develop a sense of purpose and function which connects their jobs to the overall organisation of production, to belong to integrated industrial communities and when they fail to become involved in the activity of work as a mode of self expression. (Blauner 1964, p. 15).

Participation, on its own, could not claim to displace or diminish all forms of alienation. Some would argue that a good measure of alienation resides in the task itself.

Welding, I mean the job itself, couldn't really be called meaningful work. It depends on what you do, what the final result of your job is, that's what makes it meaningful. I mean, if I weld a hundred yards of seam a day, it's still an empty mechanical job. A man's work has to be part of something bigger, something that has real meaning. That's where the value of the work comes in. Not just in the welding by itself.

These words from a welder employed at the Kockums Shipyard in Malmo, Sweden reflect the alienation he feels in welding sections of a supertanker. Today it is an isolated job with each man welding a huge section of the ship on his own. His comments raise the question: 'does the task itself, in this case welding, cause the alienation, or is it how the task is organised?'

Other workers in the same shipyard, while interviewed for a film, harkened back to earlier methods of work organisation. One said:

It didn't use to be that way. We'd work as a team and build the ship up. Sure we used to work like hell, but there were times when you could knock off for a while. There were more times when we liked what we were doing.

We might have worked harder and maybe the job was tougher, but it's like we had more freedom then. Nowadays, it seems like there's more pressure on everybody, another said.

I believe very strongly that we ought to have representatives on the Board of Directors. Now it's true that I've been a little ahead of time on this question, but it looks more and more like we're going to get it. And I think that if we are going to have a chance to

control working tasks then we've got to be able to make decisions at a higher level. We have to have influence up there too If we are going to have real democracy the man on the shopfloor has to have some say about the place where he works. (emphasis added).

The worker's observations were right. During 1972 the Chairman of the shop union was appointed a member of Kockums' Board. The worker's argument that there is a causal connection between work reorganisation and boardroom decision making is, of course, quite accurate.

The Volvo efforts at job reorganisation in the last decade, which has attracted international attention, is a case in point. The Volvo experiments have all been management initiatives with Pehr G. Gyllenhammar, President of Volvo, as their prime mover. He took the decision to abolish the traditional assembly line at the company's new plant in Kalmar which opened in the spring of 1974. The new work organisation developed under his guidance made it possible for employees to work in small groups, vary their own rate of work, rotate jobs, identify themselves more closely with the end product, feel responsible for its quality and have a say in their own working environment. Many of the innovations developed at the Kalmar plant have been successfully adapted to older Volvo plants. In Torslanda, for example, a mile-long assembly line was broken up. Although the initiatives began at the top, the trade unions and the rank-and-file workers were involved in every stage of the planning and execution of the changes.

Visiting the Volvo sites, Leonard Woodcock, then President of the United Auto Workers of America (UAW), attributed many of the changes he saw to the chief executive, Gyllenhammar. 'His philosophy has been practically applied in both the older and newer facilities of Volvo,' Woodcock said. 'Reorganising work to involve workers more meaningfully in the decision making process and to create jobs that are "human and meaningful" is the central theme of Mr. Gyllenhammar's writing', Woodcock added. (Gyllenhammar 1977, p.v.) Gyllenhammar, himself, summed up that philosophy.

We are still in the era that Adam Smith described so many years ago, where a worker gives up his ease, his liberty, and his happiness when he goes into industry. If we can give him back his ease, his liberty, and his happiness, or at least give him conditions under which he can find them for himself, I believe we will come closer to a 'post-industrial' society. (ibid, p. 164).

The Swedish Employers' Confederation in 1975 evaluated the Volvo

experiments as they had earlier examined the Saab-Scania efforts in work reorganisation and over 500 job reform projects. Their judgement on Volvo's efforts was very positive.

Nobody would suggest that workers should be placed before their machines blindfolded and with their hands tied behind their backs, because it is obvious that the use of hands and eyes is a *physical* need which must be met if production is to be efficient.

The report read

The importance of satisfying workers' *psychological* needs is a bit less obvious, but it is no less closely connected with productivity, and it should therefore not be astonishing that managers interested in efficiency are interested in these needs. (Lindholm and Norstedt 1975, pp. 5-6).

Volvo's success at diminishing absenteeism and staff turnover, while enriching jobs and humanising the work place with better quality control and no loss of efficiency is remarkable. It comes in an industry with alienation where workers are known to engage in sabotage to vent their frustration at soul-destroying work.

The dream of a Mexican car worker, relayed by Michael Maccoby in *The Gamesman: The New Corporate Leaders*, provides a clear symbolisation of alienation. The man, who had left a craft to join the auto assembly line, told the researcher that he was satisfied with his work mounting the suspension of the car in two-minute cycles which involved tightening the same mounting bolts hundreds of times a day. He in no way criticised the job although there were many signs of his discontent at work and spilling over into his home life. He was nervous on the job and hassled his work mates. He complained of constant headaches, colds and colitis that had come on since he took the job. He was exhausted at the end of the day and dropped his favourite leisure activities of guitar playing and basketball to watch television and drink beer. The conflict between the job satisfaction he professed and the bad effects it had on his life and health surfaced in the theme of a reoccurring dream, as he put it: 'I dream that at my work there is a man who is a stranger, and we are arguing. I don't know who he is, and I don't remember what I am arguing with him about'. (Maccoby 1977, pp. 231-232).

Maccoby's interpretation of the event is interesting.

The dream expresses why this worker did not connect his anger and symptoms to his experience at work. Unconsciously, he experienced himself as two people, one the conscious self, satisfied at work, the other the unconscious 'stranger' with a

different point of view, two aspects of the self constantly arguing with each other. What were they arguing about? He could not remember. What the evidence of the interview points to is that the unconscious stranger was telling the dreamer he had to leave the workplace to become whole and remain sane. That this knowledge remained repressed was understandable, considering that the worker needed his job to support his family and could imagine no way of improving the quality of his work. (ibid)

In America such alienation is commonly called the 'blue-collar blues'. It refers to the dreary way in which many people spend their working days. But the problems spill over from the factory into other activities of life. Often an alienated factory worker displaces his aggression (brought on by work) on his family, neighbours and strangers.

A steelworker put it powerfully:

When I come home, know what I do for the first 20 minutes. Fake it. I put on a smile, I don't feel like it. I got a kid three and a half years old. Sometimes she says, Daddy where've you been? And I say, work. I could've told her I'd been in Disneyland. What's work to a little three year old? I feel bad, I can't take it out on the kid. Kids are born innocent of everything but birth. You don't take it out on the wife either. This is why you go to the tavern. You want to release it there rather than do it at home. What does an actor do when he's got a bad movie? I got a bad movie every day. (Special Task Force 1973, p. 30).

Harold Sheppard's (1972) (ibid p. 31) study of blue-collar union members gives evidence that political and social attitudes and behaviour are related to work experiences and expectations. Where aspirations relating to work are not realised, a degree of bitterness and alienation can be found among workers that is reflected in a reduced sense of political efficacy. The alienated workers simply participate less in elections. When they do vote, they often support candidates that are extremists (ibid p. 31).

An earlier study based on 1,156 men on the job revealed that the best independent predictors of work alienation are:

- 1 A work situation and hierarchical organisation that provide little discretion in pace and schedule.
- 2 A career that has been blocked and chaotic.
- 3 A stage in the life cycle that puts the 'squeeze' on the worker, such as having large numbers of dependent children and low amounts of savings (ibid, p. 31).

Dissatisfaction among blue-collar workers, particularly assembly-line operatives, is neither new nor surprising. What is unexpected is to find increasing forms of alienation at work among white-collar workers and managers. Computer key punch operators, secretaries in typing pools, insurance clerks, and government bureaucrats are finding that they have much in common with car workers. They experience a similar facelessness. Often his only break from total anonymity comes when the employee makes a mistake or fails to follow a rule. 'For the bureaucratic machine, though composed of flesh, and well-fed flesh at that, is nonetheless as irresponsible and as soulless as are machines made of iron and steel' (ibid, p.39).

In a report on *The Quality of Working Life* prepared for NATO a researcher described part of the phenomena:

Lack of positive feedback and feeling of connection between the individual worker and the centres where decisions affecting him are made are inevitable to some degree in any large organisation but there is every reason to believe that they are special hazards in government departments. (ibid, p.39).

Over the years white-collar positions have been filled by workers with higher academic credentials. Little was done to increase the prestige, status, pay or challenge of the job. Accordingly some of the biggest pockets of job dissatisfaction occur among young, well educated workers who are in low-paying, dull, routine and fractionated clerical positions.

Can employee participation at job level help solve such acute problems as on the job alienation? The Americans say 'yes'.

Quality of worklife - the American way

US industry, business, trade unions and the government have little in common with European concepts of worker directors. Douglas Fraser, President of the United Auto Workers (UAW), as the country's only worker-director, is the exception. He took a seat on the board of the ailing Chrysler Corporation in the summer of 1980, more as a watchdog than a harbinger of workers' control. His union, the 1½ million member UAW, is the only US trade union advocating European-style employee participation which opens the boardroom to worker representatives. But its approach here is low-keyed. The union's spokesman on the matter is Irving Bluestone, a Vice President of the UAW, and the director of the union's General Motors Department.

I interviewed Bluestone about his views on blue-and white-collar democracy during a break in his negotiations with General Motors over

a three year contract covering 400,000 workers in Detroit during August 1979. The following February I interviewed Edward W. Lawler III, a leading American academic in the area of the quality of worklife.

The movement for quality of worklife must be viewed against the background of the dramatic decline of trade union membership in the United States. In 1973 overall trade union density was 28 per cent (53 per cent private manual, 9 per cent white-collar and 28 per cent public employment). Today overall trade union density is 19 per cent and falling.

It is generally agreed that there is no groundswell of opinion amongst workers for boardroom representation. As Bluestone put it:

In a corporation the size of General Motors, I dare say only a small percentage of the workers could name the President of the firm or the Chairman of the board. It is so distant from their normal operations inside the plant, working, making a living, seeing that their rights are protected under terms of the agreement. And yet decisions made by these people and their colleagues on the board of directors obviously have enormous impact on the workers. As time goes by, as workers recognise that managerial decisions are vitally important to them, as they realise that those decisions affect their welfare and the welfare of their families and their communities, a change will take place. At this point they will say, 'Wait a minute, we want to have something to say about those decisions'.

As such issues like the sub-contracting out of work and the establishment of new plant, which threaten job security, become more important to the workforce, trade unions are insisting on talking about them in collective bargaining sessions.

In the American approach to industrial democracy, the focus is on *direct* participation. 'The emphasis is placed upon what we call improvement in the quality of worklife.' Bluestone said:

The thrust is exclusively in developing programmes whereby workers will have a meaningful role to play in making decisions about their workplace. The idea of this quality of worklife movement is to bring into the workplace that measure of democratic value which the worker enjoys outside the plant so that he can establish his self-worth and dignity inside the plant as he does as a citizen outside the plant.

Bluestone draws a dreary portrait of the auto worker alienated by an absence of any real decision making power.

'Taking on board this absence of decision making power, Lawler is

not surprised at the rising interest in job level participation.

It seems only logical given the way we have educated people for decades now, we certainly haven't in our education systems or even in our families, educated people to simply carry out the physical aspects of labour without wanting to influence issues of what they do and how they do it and why they do it. We've been systematically educating people away from simply taking orders and doing things without thinking about it and worrying about it. With 40 per cent of our people now going to college, we have become a nation where a lot of people are being educated and told that they should influence decisions. We have built the expectations into people by telling them that if they go to college you can be a manager and you'll get more pay and so forth. It builds a tremendous reservoir of expectations and beliefs that people have the information and the ability and the right to influence and control these decisions. I think there is a clear link between participation and satisfaction. In most cases it seems that participation does increase satisfaction. At least on the part of people who are newly welcomed into participation.

Although some quality of worklife projects are pre-emptive efforts at keeping trade unions out of a greenfield site or a relocated plant, many have been undertaken as joint union-management activities. Amongst the ground rules generally agreed beforehand by the unions and management are the following:

- 1 The national collective bargaining agreement would be strictly adhered to.
- 2 No manpower would be lost because of the programme.
- 3 All local practices and local agreements would also be adhered to.
- 4 The programme would be strictly on a voluntary basis.
- 5 There would be no harassment of the people who did not volunteer, such as removing them from their jobs to balance out the group.
- 6 If either party felt they were being disadvantaged by the programme, they could cancel it.

Reporting on ten ongoing, co-operative union-management quality of worklife projects, Lawler and Drexler commented:

In all cases, union and management representatives have discovered that much work is involved if meaningful organisational change is to be accomplished, in part, because the committees operate on a consensus basis, and will not implement a decision unless there is widespread support for it. However, it also reflects

the complexity of the issues with which the committees deal and the ambiguity of what is supposed to happen in the joint committees. The committees typically begin with a wide open charter to improve the quality of worklife and with no specific problems to solve. (Lawler and Drexler 1978).

The committees spend a lot of time educating themselves and working through frustrations. Usually they find a route to problem identification and joint problem solving. Issues dealt with include:

- 1 Housekeeping issues (i.e. cafeteria arrangements, parking facilities).
- 2 Work and organisation redesign.
- 3 Training and employees development.
- 4 Pay systems, especially ones in which workers share in the benefits of increased performance.
- 5 Job redesign, for example, job enrichment approaches or group work (ibid p.39).

The General Motors plant at Tarrytown, New York, is a model case of successful quality of worklife projects. The plant manager approached the union and said he wanted to get involved in a quality of worklife project, giving half a dozen reasons. He wanted to change managerial attitudes towards the union (UAW) and the workers. He was worried about high absenteeism, low efficiency, hostility from workers, haphazard work and a high grievance load and poor industrial relations in general.

It was agreed to focus on improving the quality of the product. It was also decided that a third party - an outside consultant noted for his success in training workers in problem solving techniques related to product quality - should be hired.

The pilot project was launched in the production of glass area because of the mix of people - blacks, whites, Portuguese, Cubans, Puerto Ricans, both males and females and because of the poor quality of performance. The group's attitude was one of resentment towards both union and management. The quality was very poor and the efficiency was low due primarily to water leaks and glass breakage.

There were 36 workers in the group, 18 on days and 18 on nights. An advisory committee was set up, several members chosen by the workers themselves, together with an elected union representative. The management added three superintendents and two foremen to the committee which would meet once each week or more often if requested to check on the group, review what problems existed and discuss how to resolve them. The workers were able to speak up and had as much influence in the group as the managers. Then a follow-up

would take place to see that whatever was agreed to would be implemented.

About six months after the programme started, with emphasis on problem solving and worker participation in discussing and deciding improvements in their job and their department, the group reported that glass breakage had almost been eliminated and that water leaks had just about disappeared. They had saved the company over \$26,000 in glass breakage alone and over \$60,000 in stopping water leaks. The quality had improved and the efficiency of the group was restored. The group was no longer being disciplined by management, morale was high and absenteeism had dropped from 12 per cent to less than 3 per cent. Attitudes towards management and union representatives had also improved.

Workers from other departments began asking for the QWL programme. In the chassis department and the soft trim department, with over 700 workers, 98.9 per cent of the workforce volunteered to be in the programme. And so it went on involving more of the workforce and getting similar results.

Ultimately 95 per cent of the plant's 3,800 employees were included in the QWL programme at a cost to General Motors of £1.5 million. But the strategy turned Tarrytown into the company's most efficient assembly facility. *Time* (5.5.80) summed up the programme:

The clear lesson from Tarrytown is that both management and workers can co-operate to their mutual advantage to boost job satisfaction and increase productivity. Says Dartmouth Business Administration Professor Robert H. Guest: "Tarrytown represents in microcosm the beginnings of what may become commonplace in the future - a new collaborative approach on the part of management, unions and workers to improve the quality of life at work in its broadest sense."

Quite naturally union leaders and managers come to quality of worklife projects with different goals. Union leaders focus on employment security, higher wages, improved benefits and job rights. Managers talk of maintaining profitability, productivity and achieving greater organisational effectiveness.

Until 1975, most job and organisation redesign projects in the US had been initiated and run by management. Yet both sides of industry recognised that such projects could be more effective if they were directed jointly by union and management. The trend is changing. The emphasis is on complementing goals and cooperative direction. Formal union involvement and co-operation is indispensable for significant employee involvement. Such involvement is advantageous as employees often know how jobs and organisations should be redesigned. A wealth

of information on problem areas and practical solutions is often available from production workers. The actual process of participation in problem solving is itself a form of improving the quality of worklife and diminishing alienation. It can lead to a more satisfied work force and encourage individual dignity, growth and development. (Likert, 1967).

Bluestone summed up his personal view and his union's stand on the topic:

Traditionally management has called upon labour to co-operate in increasing productivity and improving the quality of the product. My view is the other side of the coin is more appropriate; namely that management should co-operate with the worker to find resources in each human being in developing a more satisfying worklife with emphasis on worker participation in the decision making process.

While other unions in the American labour movement are slowly becoming reluctant partners in the joint union-management approach to the quality of worklife, they remain adamant in their opposition to worker directors. Thomas Donahue of the American Federation of Labor - Congress of Industrial Organizations (AFL-CIO) in a discussion of union membership on corporate boards of directors said that such moves 'offer little to American unions we do not want to blur in any way the distinction between the respective roles of management and labour in the plans'. (Lawler and Drexler 1978, p.39).

Worker directors in Great Britain

Ongoing debate

The debate on worker directors in Great Britain has been raging in earnest since September 1972 when the European Economic Community issued the draft 5th Directive on company structure. The EEC included its recommendations on what forms of employee participation should be established throughout the community. It was part of its larger effort at harmonising European company law. It suggested that member countries should adopt the German model of co-determination consisting of a two-tier board or a Dutch variation of the same structure. Worker directors would be elected to a supervisory board claiming a third of the seats. Managers and shareholders would evenly divide the remaining two thirds of seats on the policy making board.

A green paper in August 1975 on 'Employee Participation and

Company Structure' from the Commission of the European Communities stuck to the same basic recommendations, but it admitted that lesser forms of employee participation might be developed during a ten-year transitional period. Meanwhile the Trades Union Congress (September 1974) adopted a policy on Industrial Democracy which called for the two-tier German model but with parity 50/50 representation between worker representatives and shareholder representatives.

A Committee of Inquiry on Industrial Democracy was set up in December 1975 under the chairmanship of Lord Bullock. It took evidence from all sides of British industry on how 'the extension of industrial democracy in the control of companies by means of representation on boards of directors and accepting the essential role of trade union organisations in this process' (Bullock Report 1977) can be achieved. It reported out in January 1977 with a recommendation that employees should have the right to elect trade union based worker directors on a parity footing with shareholder representatives in companies with more than 2,000 employees. These two equal groups of board members would in turn co-opt a smaller number of boardroom members which could include outsiders. Hence the shorthand formula for the Bullock board: 2X + Y.

Although the committee received over 300 submissions from individuals and companies, trade unions and employee organisations, there were relatively few contributions based on scientific research findings concerning the attitudes in the country towards 'worker directors'. The committee gave scant attention to the only body of worker directors - the British Steel Corporation's employee directors - which had functioned since 1968. At the time of the Bullock Inquiry there were 17 BSC employee directors on divisional boards and one on the main board. (Today there are six employee directors on the main board).

The Bullock Report was viewed as a transparent, trade union grab for power by the majority of the British business community. It actually had support from only roughly half the country's trade unions. Not surprisingly the Labour Government was slow to act in the area of industrial democracy. Finally in May 1978, the Government issued a white paper on industrial democracy. The main recommendations were:

- 1 Employees of companies employing over 500 will have a statutory right, if voluntary arrangements are not made, to discuss major proposals affecting them.
- 2 Legislation will provide for an optional two-tier board structure.
- 3 Employees of companies employing 2,000 or over will have a statutory right, if voluntary arrangements are not made, to

employee representatives on a policy board. Initially these may be up to a third of the total number. This right shall not operate until 3-4 years from the date of establishment of a joint representation committee.

- 4 Joint representation committees, consisting of lay representatives of recognised independent unions, shall be set up. They will be able to invoke the statutory right to discuss company strategy or have representatives on a policy board by asking for a ballot of all employees.
- 5 Selection of representatives shall be through the joint representation committee - i.e. through normal trade union machinery.
- 6 There shall be extended provision for training.
- 7 An Industrial Democracy Commission may be set up to provide advice and conciliation and to evaluate the operation of the legislation.
- 8 All directors shall have the same legal responsibilities.

There was little debate over the white paper probably due to the growing possibility of a general election in the autumn. When the election did come in May 1979, the Conservative Government soon declared its policy of doing nothing to advance the issue of worker directors.

The EEC's draft 5th directive came under active consideration of the European Parliament in the summer of 1980. It appears likely that an EEC directive on industrial democracy will come before the Council of Ministers in 1982. Both the Confederation of British Industry and the Institute of Directors have openly stated their oppositions to worker directors (Institute of Directors 1980).

Expectations

Against the background of a public debate over the issue of worker directors, it is to be expected that employees' awareness of the issue would increase and that expectations could be raised.

National surveys undertaken just before and immediately after the publication of the Bullock Report have indicated a majority of the population in favour of worker directors. A MORI survey, for example, indicated 69 per cent of all respondents (and 74 per cent of the trade union members) thought employees should be represented on the boards of large British companies (Heller et al 1979, p. 40).

Long after the Bullock Report appeared, researchers sponsored by the Anglo-German Foundation conducted a survey on attitudes to worker directors. Despite claims that the issue had gone 'off boil' they found a continuing of interest by the general working population. They asked respondents whether or not they thought some representation of

workers on the boards of large companies was desirable. Seventy-two per cent of the respondents said yes, 28 per cent no. (Over half the top managers and nearly two thirds of the middle managers gave a positive answer) (ibid p. 41).

The researchers found particularly high levels of support for worker directors among women and young respondents, although all age groups were in favour of worker directors. They discovered that union members, members of professional bodies and non-members have roughly equal likelihood of supporting worker directors (ibid p.42).

As Britain's current recession painfully bears out, employees have interests in companies which are as substantial as those of shareholders, and sometimes greater. They derive their incomes from the company in exchange for a large portion of their daily lives. Their lives are comprehensively affected by decisions in companies at board level. The fulfilment they find at work, their health, safety and well being, the energy level they have for their families and interests outside work are all affected by company policies and decisions. On a personal level, even their sense of self-worth and dignity is not immune to company influence. Hence it is not surprising that there is a growing expectation to be able to influence decisions made by companies at whatever level THEY ARE made. The desire for worker directors is just one expression of the need for more autonomy and control.

BSC worker directors

During 1976, a colleague, Ken Jones, and I spent over 200 hours in discussions and interviews with the British Steel Corporation worker directors. We were interested in their perceptions of their role as virtually Britain's only worker directors. We talked about most aspects of their experience. (Bank and Jones 1977).

Since then I have kept in contact with the men to follow their development as several have risen from divisional boards to the main board. Most of the worker directors came from shopfloor jobs in the steel industry. They retained these jobs whilst exercising their worker director duties. As one of the worker directors said:

If I spend time away from my regular job, the critics say I'm cutting myself off from the shopfloor. But when I go to my regular job in a control pulpit in a fully automated plant, the next bloke is about a quarter of a mile away. It's so isolated, management has installed tropical fish near the control panels for companionship. (ibid, p.63).

The upward mobility the men themselves have experienced in their own jobs has diminished their own feelings of alienation at work. (One

of the men moved from process worker to divisional employee director, to membership of the BSC's main board. His name went from the punch clock at the Ebbw Vale works to page one of the BSC's Annual Report and Accounts. He was given an office and a secretary in London. Within five months of his appointment he jetted to Japan to size up competition. Later he went on fact finding trips to Germany and France. He and his wife received invitations to the Queen's garden party.

Certainly this worker director's job was enriched and others as well, but have ordinary employees throughout BSC over the twelve years of the employee directors scheme gained from having representation on divisional and the main boards?

There is evidence to suggest that they have gained a measure of satisfaction from knowing that there was somebody on the divisional boards who had the same sort of work experience as themselves, came from a similar background, lived in similar conditions and, therefore, should have some appreciation of the way they felt about matters. (Guest and Knight 1979, p. 223).

In analysing attitudes towards the idea of worker directors in the BSC a team of academics in 1971 found that union stewards in the steel industry were the most in favour of the overall idea (88.5 per cent). Employees in general were next (74.6 per cent). Then came full-time union officials (65 per cent), directors (56 per cent) and lastly managers (with only 42 per cent) in favour of worker directors (Brannen et al 1976, pp. 54-55).

During 1982, I plan to repeat the survey to see if a decade of experiencing the reality of worker directors has altered the employee support.

The BSC worker directors maintain that they have a dual role on the board. They are there as *experts*. They act as advisers on matters affecting employees' interests. They give opinions on how employees will react to various proposals - what they 'will wear'. As experts, they are no different than other directors who are on the board for their expertise to advise the board on financial or technical matters. Their speciality is knowing how employees feel and think and they can draw on an average of over twenty years in the industry for that assessment.

'I'm an expert on how shopfloor people think and react', one worker director said: 'Unless I can project their feelings and opinions, I'm valueless.' A BSC managing director, appreciating the different viewpoints the worker director brings to the boardroom said, 'The worker directors often seem to challenge the unspoken assumption of many of us on the board and this I find to be valuable and so do many of my colleagues.'

The worker director's role goes beyond that of an expert. They are also representatives. One worker director said:

Actually you're there because you've been appointed to the board after going through a selection process. So you're a representative of the employees as a worker director just like you're a representative in joint consultation and in collective bargaining.

Another worker director added:

The engineering director is not representative of anyone. He gets paid to do a technical job. But employee directors are not in the same category; we are representatives. As such we have the right to dissent on certain decisions and have our dissent recorded. I don't think we have the right to resign the way a delegate would. We must look after the interests of the employees.

As a representative on the board, the worker director's role is analogous to that of a major institutional shareholder which has a board member to protect its own interests. His interest, of course, is the employees' welfare. The employee director is also like a member of parliament, a representative who ultimately has the freedom to make up his mind on issues and then has to report back to his constituency.

The worker directors do not consider themselves to be delegates, for delegates are mandated and subject to recall. They carry no specific mandate by the trade unions, even on controversial issues like closures.

Conclusions

Alienation at work is a vast and complex field in itself. Employee participation in decision making is likewise a large and complicated area of research. Accordingly the relationship between alienation and employee participation, or put more positively, the participation-satisfaction thesis, needs careful consideration and rigorous research.

The views of a practitioner on this topic, given the current state of the art, are necessarily provisional, based as they are on evidence that is largely piecemeal, anecdotal and imperfect, and, of course, influenced by his own values.

Unlike in Germany where worker directors and the system of codetermination has a thirty year history open to research, this country is at the beginning of boardroom participation. Most of the worker directors are concentrated in the British Steel Corporation, which is currently in deep crisis. A few worker directors are scattered about in

private companies with only little research done on how they function. (Chell and Cox, Summer 1979). On assignment for *The Sunday Times* I spent some time seeking out these private worker directors. At the John Lewis Partnership I met a worker director who had come to John Lewis straight out of Oxford University, with a second in Philosophy, Politics and Economics, 30 years ago. It wasn't the usual background for a worker director, so I put it to him: 'did he consider himself a worker director?' From behind his desk, he winced, peered over his framed glasses, put one hand to his grey-black hair and said: 'If by "worker director" you mean of the earth, earthy - no. But if you mean that I am somebody in fact chosen not by the management or by officials, but by a force which represents the interests of those who work in the business, yes I am.' The man had spoken volumes.

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Lech Walesa and the Polish Workers' Revolt

by John Bank

Senior Lecturer in Industrial Relations
Cranfield School of Management



Editorial Note

We received this article in October 1981 before the present crisis in Poland outdated some of the material overnight. There was no intention of dropping the article though, for two reasons. Firstly, it raises a whole host of points which are important not only for their theoretical significance but also for the fact that they present a picture of contemporary Polish history. Secondly, because of the assault on free trade unionism in Poland, it becomes even more imperative for us to recollect the tremendous advances made by Solidarity over a very short period of time, and to publicise those achievements as widely as possible. We hope that this article will keep interest alive and stimulate your ideas.

Lech Walesa arrived. He strode up to the director and asked in a sharp voice: "Do you recognise me? I worked ten years in this shipyard. I still consider myself a shipyard worker. I have the workers' confidence and we are going to occupy this shipyard." Everyone cheered and we began our demands—Thursday, 14 August, 1980. An entry from the diary of a shipyard worker, Lenin Shipyard, Gdansk, Poland[1].

As the first anniversary of the strike at Gdansk approached, I sought out Lech Walesa to make an assessment of how the movement was doing in the initial stage of becoming a full-blooded trade union. In this report I first offer some comments on the differences between a movement and a trade union. I look at the four stages a movement goes through on the way to becoming a trade union. These are:

- (1) The event;
- (2) The confirmation of the leader;
- (3) Forging links with outside organisations;
- (4) Internal structuring and the first congress.

I then walk straight into the minefield and make some comments on possible future developments for Solidarity.

The Movement

Polish workers under Lech Walesa's leadership have created a *movement* which they are now struggling to turn into a trade union *organisation*. There is a difference between the two. A *movement* "implies a common end or at least a community of purpose which is real, and influences men's thoughts and actions, even if it is imperfectly apprehended and largely unconscious," as G.D.H. Cole described it. People bond themselves together in a movement because they share the same beliefs, ideals and aims. The ties of organisations are of a different order. All organisations set about activities directed toward achieving their goals. They must have the means of securing their

members' compliances with decisions in the areas of task allocation, supervision, co-ordination and control. Organisations have adequate sanctions to which they can turn and it is on the strength of these rather than on their appeal to ideology that the soundness of the organisation depends[2].

Trade unions tend to be a mix of movement and organisation. At the outset they are more of a movement than an organisation. Having personally spent six years of my work-life helping to shape the California Farm Worker movement into the national union, the United Farm Workers of America[3], I have a particular interest in the stages that a movement undergoes on the road to a trade union. This interest was further stimulated by direct study of the emergence of the underground trade unions in Spain and their adjustments as established unions in the post-Franco era.

The Event

The first stage is the event, usually the big strike. The strike, whether the California grape strike (1965-1970) or the Gdansk shipyard strike (1980), is simply the birth of a movement. The trade union organisation must be built up from the strike event. Largely through collective bargaining over wages and conditions the movement becomes an organisation with a structure, government—the whole professional bureaucracy. The trade union organisation provides its members with a protection and a furthering of their industrial rights. It must be strong enough to maintain internal discipline over its growing membership. It must have enough power to thwart outside pressures that would crush it.

At the outset of the event—the big strike—there is only one vital matter—*survival* of the movement. All other considerations fade into insignificance compared with the struggle to survive. The strike which broke out in a shipyard on the Baltic Sea was such an event. It was not the first strike in Poland's recent history, but it was the most powerful. Setting off a chain reaction of strikes across the country, the events at Gdansk led to the creation of Solidarity, a free trade union which now has 10 million members. The strike catapulted Lech Walesa to leadership of Solidarity and international fame.

The strike was dangerous and the workers knew it. Twice before, in Poznan in 1956 and in Gdansk in 1970, security police opened fire on demonstrating workers and many died. Now the strikers erected a makeshift timber cross outside the main gate of the Lenin Shipyard where the first three workers were shot down ten years before.

The contradictions were clear. In a so-called Workers' State, where the Communist Party claims to embody the interests of the workers, workers were demanding to build their own trade union to protect their interests. In a State which has promoted atheism for decades, workers were

calling on the Catholic Church as an ally and were publicly displaying practices of their faith. Shipyard workers went to confession in the open air and gathered in their thousands to celebrate Mass in the occupied shipyard.

Touched off by the Gdansk shipyard strike, the Polish workers' revolt is called "the most remarkable event in Eastern Europe since the war," by Leo Labedz, an observer of Soviet affairs and editor of *Survey*, a British journal of East and West Studies[4]. "The real workers turn out to be quite different from what the ideological postulates imply," Labedz explains. "They do not identify with the Party and its 'cause', but with the Church and the country. They are religious and patriotic"[5].

The Leader

"These strikes must be terminated"—Vice-Premier Mieczyslaw Jagielski, in negotiations during the Gdansk strike

"They should have been stopped a long time ago, but we have been waiting for you. What is your position on our 21 claims?"—Lech Walesa

*"Allow me to begin by making some general points"...*Jagielski

Walesa interrupting, *"No. I want a concrete answer, point by point."*[6]

The choice and confirmation of a movement's leader is as important as the event for its survival. Looking at the remarkable success of Solidarity one asks "Did the event create the man or the man shape the event?" It was a bit of both, but Walesa certainly seized the moment and shaped the movement.

In the lives of most great revolutionaries, there are three distinct stages. He starts out as the anonymous activist working quietly for the cause in his formation period. Then he becomes the man of the hour as some great event propels him to leadership and instant fame. Then comes the third stage when he mellows into the politician presiding over the bureaucratic apparatus he created. Lech Walesa had ten years of relatively anonymous preparation for leadership. He then seems to have telescoped the next two roles of the revolutionary—the man of the hour and the mellow politician—within Solidarity's 14 month history.

Lech Walesa is 38. He's five feet seven inches tall. His pale face is dominated by a wide moustache, a large nose and a jutting jaw. (It is rumored that Gillette offered him over a million dollars to shave off his famous moustache with one of their razors, but he refused.) His briar pipe is always present either in the corner of his mouth or in his hand. He projects authority tempered with good humour and humility. He doesn't suffer fools gladly.

Walesa was born during the Nazi occupation in the village of Popow between Gdansk and Warsaw. He received vocational training in a state school in nearby Lipnowo and had a Catholic upbringing. His father died in 1945 from privations he suffered in a Nazi extermination camp; his mother married her brother-in-law, Stanislaw Walesa, it was later killed in an auto accident as a tourist in the U.S. The stepfather went to live in Jersey City, New Jersey, where he works as a lumberman. Lech has many times refused his stepfather's invitation to go to America, believing "a man must live where he was born and grew up, in order to give back to the country what he got from it".

Like all successful leaders of revolutions, Lech Walesa served a difficult apprenticeship, during his 10-year preparation period. He became a strike leader at the Lenin Shipyard where he worked as an electrician during the December 1970 food price riots. In the words of the participants themselves, these riots were described as "a spasm of uncontrolled rage". When the strikers were denied a meeting with the local Communist party boss, they took to the streets. There they were met by security police who fired point blank into the crowd. Fifty-five people were killed according to the official report.

Later that month the Polish leader Wladyslaw Gomulka was forced to resign—after suffering a heart attack. He was replaced by Edward Gierek, who promised open government and better living conditions. The promises impressed Lech Walesa, who had already spent nine years of his life at the Lenin Shipyard, and he decided to stay on. Things actually did get better. Workers began to see a real improvement in the quality of their lives—their wages rose and there was more to buy in the shops. Even the official trade union showed signs of independence. The economic boom, however, had been funded on money borrowed from abroad and was short-lived. By 1976, the shortages returned upsetting the workers. By midsummer, workers in several Polish cities rioted over increases in meat prices. Although Gdansk wasn't involved in the riots, Walesa, as a delegate to the official trade union, drew up a list of workers' grievances. His employer saw him as a union troublemaker, disregarded his years of service to the company, and dismissed him. He found work in a machine repair shop and helped start the underground Baltic Free Trade Union Movement.

Solidarity is a movement struggling to be a trade union

During the next two years he helped make secret contacts with dissident groups including the Workers' Defence Committee (KOR), which was set up to assist strikers victimized after the 1976 riots. He was arrested many times (usually 48-hour arrests) and he used the occasions to talk to people about his trade union aims. He would stand at a bus stop and borrow the fare money making a point to explain to the people that he had just been in jail and had no money. He would continue his story on the bus.

He went as a delegate to the official trade union elections in 1979. There he found the local Party secretary controlling the voting. Outraged he demanded to know: "Why have I come here, to elect or to applaud?". His outburst cost him his job. He found another job with the Elektromontaz engineering plant. His colleagues found him "friendly and reliable...an excellent worker". He went down as well with the management and was officially declared the company's outstanding electrician. His only fault to them was his persistent trade union organizing.

Walesa took part in a demonstration in December 1979 outside the Lenin shipyard to commemorate the workers killed in 1970. Over 5,000 workers gathered and he spoke to them about free trade unions. Several weeks later he was fired from Elektromontaz, allegedly for taking a day off without permission.

He ~~now describes this~~ preparation period without heroics. "They have been tough years, tough on my wife and children. But I couldn't give up." As soon as he was informed of developments at the Lenin shipyard on 14 August, he went there eluding the four policemen posted to watch his every move. "I got there at a crucial moment. In fact there was a meeting of 2,000 workers and the big boss was asking them to leave, making his promises. And nobody cared to oppose him. As a matter of fact they were already leaving. I felt my blood boil. I elbowed my way through the crowd. I set myself in front of him...I shouted at him that the workers wouldn't go anywhere if they weren't sure to have obtained what they wanted. So they felt strong and I became their leader. And I still am"[7].

He led the workers at the Lenin shipyard away from a quick agreement on the third day of the strike that would have given *them* generous terms for going back to work and ending the occupation, whilst leaving strikers at other plants high and dry without the muscle of the 16,000 shipyard workers. Walesa persuaded them to continue the strike in Solidarity with the other workers and the movement for free and independent trade unions was underway.

Walesa stamped his personality on the strike. In the negotiations with management and the Government he was cool, calm and businesslike, and very reasonable. When talking to the workers he showed charisma and gave into his demagogue instincts, stirring up the crowds, talking tough and yet maintaining control and discipline. Throughout the 18-day occupation he displayed "the art of the possible" and at the end of the strike when the 21-point agreement had been won, he gave the authorities the face-saving frame of words they required. The third demand, immediately after the recognition of free and independent trade unions and the right to strike, was for freedom of speech and the printed word, and the right to publish, all of which are guaranteed by the Constitution. "We demand...access to the mass media for persons of all religious persuasions." Lech Walesa himself is a devout Catholic and he holds that his religion gave an extra dimension to his mental life which was a crucial help during the strike. He goes to Mass and Communion daily and makes sure a wood and silver crucifix is on display wherever he talks.

When Solidarity started, we chose young leaders spoiling for a fight...

"Solidarity gets its ideas and inspirations from East and West" Walesa says. He is busy trying to turn Solidarity from a movement into a trade union organisation. In the wake of Solidarity other organisations, like the farmers' union, are already emerging. "We are helping to establish and organise them. At the same time these new organisations are taking over some of the problems trade unions are not supposed to work with", he explains. It is a delicate balancing act because if Solidarity doesn't stay involved in the broader issues "we'll lose the confidence of the whole people. Yet our movement is young and we cannot co-operate with everyone." The Workers Defence Committee (KOR) at first took an advisory role to the

union, just as prelates of the Catholic Church served as counsellors.

Lech Walesa is nobody's puppet. In his book, *Solidarity, Poland's Independent Trade Union*, Denis Macshane is at pains to make this point. "Lech Walesa and the other Solidarity leaders are surrounded by advisers—intellectuals, politicians, Catholics, atheists, cautious right-wingers and determined socialists—but the decisions they take are their own, based on their own experiences and knowledge as working class representatives"[8].

Now, we also need tacticians and strategists able to carry on a wider dialogue

I met Lech Walesa in May in Malmo, Sweden, where he had gone to receive the Let Live Prize 1981 from Arbetet, a Swedish labour daily newspaper. Poles and Swedish workers in Malmo gave Walesa a hero's welcome. He pleased them greatly by saying that he had discussed the matter with his wife, Mirosława, who was with him, and that they agreed that the prize money of 50,000 Swedish coronas (about \$10,000) should go to Solidarity, not to himself. (It was an impressive gesture for a couple with six children, ranging in age from ten months to 11 years, who live on his union salary of about \$330 per month, roughly the equivalent of a shipyard worker's pay. After years in a two-room apartment, last autumn the Walesa family moved into a six-room apartment in a suburban row of concrete towers in Gdansk.)

Wherever he went Walesa was cheered by the workers and given the celebrity treatment—even asked to sign autographs and lift babies into the air. He gave himself to the activities without apparent embarrassment.

I had arranged the interview with Lech Walesa for the following morning. After a live radio programme he would be taking the hydrofoil from Malmo to Copenhagen at eight. We would talk en route and for a short while in Copenhagen, while awaiting his flight home. His first visit to Sweden was a great success—the morning papers had many large photo stories of the events—yet he showed little satisfaction over it. His translator put my questions to him in Polish.

Walesa assured me that "the Poland of last August will never return". Solidarity will work to solve problems other than the wages and working conditions of its members. It will involve itself in the larger problems of the country—social and economic and political reforms leading to free elections.

"When Solidarity started last August," he says, "We chose young leaders spoiling for a fight. We still need them, but we have a greater need for reasonable leaders who are tacticians and strategists and are able to carry on the wider dialogue." The wider dialogue includes Poland's complex economic and political problems. It also includes establishing formal links with the trade union movement at the international level.

Links with Outside Trade Unions

Forging links with trade unions on the international scene is a vital task for any new trade union. Even before they were operating openly in a post-Franco Spain, the two ma-

for free trade unions, Workers' Commission (CCOO) and the General Workers Union (UGT), had established links with unions outside Spain and support from international trade union federations. Solidarity has been quick off the mark in establishing such linkages.

The Swedish Trade Union Movement (LO) was the first to help. In March, Walesa sent his Vice President Bogdan Lis, a member of the founding committee of Solidarity, to London to the TUC. The TUC rewarded Bogdan Lis for his fraternal visit by establishing a Solidarity Assistance Fund with £20,000 start-up money. The TUC's International Committee issued a statement saying that they "welcomed the opportunity to hear at first hand about the formidable problems facing Solidarity in developing its organisation and communications with its members. The British trade union movement is committed to giving practical assistance to help Solidarity to overcome those difficulties in the ways that Solidarity considers most suitable." The TUC's effort to help Solidarity and the assistance of other trade unions in Europe is being coordinated by the Swedish trade union federation (LO) who use the direct sealinks they have with Poland to get materials to Solidarity by a "safe route".

To go from literally a handful of members to 10 million in a matter of months has been an organisational nightmare for Solidarity. At the same time it had to face serious threats to its survival from the outside, leaving it little breathing space to develop the structures, communications and training facilities any union needs to serve its members. I talked to Mr Lis at the TUC and asked him if he didn't find that broadcasting Mass on the State-controlled media was an unusual trade union demand. His answer reveals how wide a brief Solidarity is taking on defending their members' interests. "Not really", he said. "A lot of our Solidarity members work in hospitals and in essential services and simply aren't able to get to Mass on Sundays; so they need the broadcasts. Many people who are members of the Party or serve with the army are not allowed to attend Church despite their beliefs. Something had to be done to break that unjust tradition. We also wanted to look out after the handicapped."

A great deal of importance is attached to links with trade unions outside Poland

The importance which Lech Walesa and Solidarity attach to such linkages with trade unions outside Poland was illustrated in May when Walesa was awarded the Let Live Prize 1981. He had turned down an invitation to President Francois Mitterrand's inauguration to be with his trade union friends in Malmo. He received the Let Live Prize, given for "courage and acting in the defence of each person's right to shape his own future" at an annual congress of the retail clerks' trade union, Sweden's fourth largest union. Just prior to his visit to Sweden, Walesa had established links with Japanese trade unions during a trip to Japan.

In October, Lech Walesa visited the trade union movement in France. A month later he was the celebrated guest of the Canadian Labour Congress. He was also planning a personal visit to the American Federation of

Labour—Congress of Industrial Organisations (AFL-CIO). (A delegation from Solidarity went to the US in May to increase support lines to the embattled union.)

The links with the international trade union movement serve a double purpose. They strengthen Solidarity as a trade union. They also build political support and world opinion for Solidarity's survival. As Solidarity struggles to assert itself and consolidate its power, the Polish government moves from one crisis to another. Fears of Russian intervention make supporters of Solidarity across the world hold their breath. Will this workers' revolt take the course of the Hungarian Revolution of 1956 and the Prague Spring of 1968?

Relationship with the Roman Catholic Church

Stalin's jibe "The Pope! How many divisions does *he* have?" might ring hollow in present day Poland. Solidarity's membership stands at 10 million workers. If a member's dependants are included that figure is multiplied to encompass about 80 per cent of Poland's 36 million population. Ninety per cent of the population is Roman Catholic.

The Church has always been a symbol of struggle in Poland

They are not the Pope's divisions even in an ideological war. But their loyalty to him and the Church is impressive. During the Gdansk strike the workers hung pictures of Pope John Paul II on the gate to the occupied shipyard. They celebrated Mass and took Holy Communion in their rallies. They went openly to confession in the shipyard and knelt for prayer.

Whenever he talks, Walesa sets up a crucifix on the speaker's rostrum or table. In his office both a crucifix and a Polish eagle dominate the wall. On the left lapel of his suitcoat he wears a badge portraying the Black Madonna of Czestochowa. (A famous statue of the Madonna was used by the Poles to turn back Swedish armies in the 17th century.) He wears the badge as a personal act of piety and a symbol of Polish Nationalism. He realises that it is difficult for Westerners to understand the close relationship Solidarity maintains with the Catholic Church. "The Church has never been for you what it has always been for us, a symbol of struggle" Walesa explains. "I mean, the only institution which has never submitted to the oppressors. And when we examine the factors which led to what is happening today in Poland, it is not enough to mention the workers' uprisings in 1956, 1968, 1970 and 1976. It isn't even enough to consider our contact with foreigners. I mean the fact that we have been travelling abroad very much in these years and that we have seen how you live in your countries. We also have to consider the election of Pope Wojtyla, his travel to Poland and the continuous obstinate smart work of the Church. Without the Church nothing could happen, my case itself would not exist and I would not be what I am. I'll say more: If I hadn't been a believing soul, I wouldn't have resisted, because I had so many threats, so many."

Did the Church ever interfere?" I asked him.

"The Church is doing its job; we're doing ours. But at the same time we have similar ideals and values—truth,

justice and honesty—the ideals and values which have always been proclaimed by the Church. We build on these ideals and values. But remember the Church has its own assignment to do and we have ours. And don't forget that 90 per cent of the population in Poland are believers."

Walesa has described himself as a believer, a man of faith, a guy who wants to help people and doesn't mind putting himself out for others, a man who wants justice. He refuses to accept labels. "I refuse to express myself with their words, their labels, their slogans left and right—socialism and communism, capitalism and Luxemburgism, Christian Democrat and Social Democrat. I express myself with my words, good, bad, better and worse. And I say if it serves the people, it is good. If it doesn't serve the people it is bad." His style as a trade union leader and his personal beliefs and his close co-operation with the Church is remarkably similar to that of Cesar Chavez, President of the United Farm Workers of America.

He has the patience of a man who knows what he wants and is willing to bide his time until he sees a realistic chance of getting it. He waited ten years to get a monument erected to the slain strikers in the food riots of December 1970. The monument was unveiled last December and stands 138 feet high—a sculpture of three slender trunks of steel crowned by crosses that carry anchors, like stylized Christ figures—just outside the main gate of the Lenin Shipyard. Dignitaries at the ceremony included Poland's President Henryk Jablonski, Franciszek Karol Macharski of Cracow and Lech Walesa. They observed a minute of silence. Then the city's Church bells began to peal and ship sirens wailed from the port. The names of those who died at Gdansk and Gdynia in 1970 were read aloud with the workers shouting after each name "Yes, he is still among us!" Walesa lit a memorial flame and said "This monument was erected for those who were killed, as an admonition to those in power. It embodies the right of human beings to their dignity, to order and to justice." He added "Our country needs internal peace. I call on you to be prudent and reasonable"[10].

I say if it serves the people, it is good.

If it doesn't serve the people it is bad.

The anchor in Poland is a traditional symbol of hope and one interpretation of the sculpture is that the memorial shows hope crucified. Carvings of shipyard scenes—men bolting plates and hammering rivets—decorate the lower part of the steel crosses. One scene shows grieving women and carries a few lines from Poland's Nobel Prize winner, Czeslaw Milosz: "You who burst with a smile on the simple man and injure him, don't feel safe. The poet reminds you. You can kill one man but a new one will be born. Your actions and your words are being noted." On the wall of the shipyard behind the memorial a black stone is inscribed with the words "They sacrificed their lives so that you could live in dignity". Beneath it is a quote from Pope John Paul II "Let your spirit come down and change the face of the earth, this earth"[11].

Lech Walesa speaks of this monument with justifiable pride. "Look at the monument we erected for our dead, our workers killed by the police in 1970. Had we built it at once or two years later, now it would be simply the branch of a tree, easy to cut. Instead today it's a tree and its roots

are so deep that nobody can extricate them, and if it will be cut it will blossom again"[12].

One can only hope that the powerful imagery holds also for Solidarity. It is a widespread belief that the Pope's visit to Poland two years ago laid the groundwork for the Polish workers' revolt. Jan Litynski, one of the intellectuals who founded KOR, summed up this view: "The Pope created through his visit here a new idea of the nation, a nation without chauvinism, a nation as a community. It was on that basis that Solidarity grew. The Pope's role was, if you like, revolutionary."

Solidarity openly acknowledges its debt to Cardinal Wyszynski for organising resistance and giving advice

Going beyond simply words, the Pope drew millions of Poles into the streets, creating a real sense of national togetherness and Solidarity, from which the secular authorities like the police and the Party shrank away. "There was an unorganised discipline, an unorganised organisation which proved the maturity of our society" Litynski said.

After issuing several caveats about too closely identifying the Church and Solidarity, Denis Macshane wrote "Yet at the same time there is convincing evidence for arguing that without the Church, and, in particular, without the example set by the Church in how to resist incorporation by a one-party State, Solidarity could not have come into existence"[13].

Lech Walesa and members of Solidarity openly acknowledge a debt of gratitude to the late Cardinal Stephan Wyszynski for creating the climate of resistance and advising the union until his death on 28 May. (Cardinal Wyszynski's last public appearance at the end of March was to receive Lech Walesa and a delegation from Solidarity.)

"I would never do anything against the faith, the Church and even less against Cardinal Wyszynski" Walesa said a few months before the Cardinal's death. "He is a great man, his wisdom is immense and his help has been enormous—all the time and in every way. People don't know that it was Cardinal Wyszynski who arranged our meetings with Gierk and Kania. And even during the strikes of the peasants of Rezeszow and Brelsko-Biala I had to ask him to give me a hand. Without his intervention I wouldn't have been able to call an end to these strikes"[14].

Members of Solidarity were officially represented at Cardinal Wyszynski's funeral and joined the two-mile lines to file past the Cardinal lying in state. Despite all the public displays of religion and loyalty to the Church, Solidarity writes a bold disclaimer. In an official document describing Solidarity to trade unions outside Poland, the trade union clearly declares that it "identifies with no ideology and no religion. It is true that among the union symbols those of the Catholic religion are of great consequence. This reflects the respect which society, most of the people being Catholic, has for the moral authority of the Church. But the union itself, as a social movement, is secular. It acknowledges the Christian values to be the foundation of European culture, but it is not politically related to the Church, nor does it consider the Catholic social doctrine to be its programme."

Internal Structure and the First Congress

The romantic dream of American radicals for "one big union" meets reality in Solidarity. It is one big union and its leadership intends for it to stay that way. This is despite the ridicule of opposition forces.

Andrzej Zabinski, the Communist party chief in Katowice and a Politburo member, in a speech to senior police and security service officers in his area put forward an attacking strategy on Solidarity. "First of all we have to mount a political attack on the principle of *union regions*, the principle proclaimed by Mr Walesa or those who prompt him. We have to attack this principle very strongly by asking them thousands of questions. What about the miners' property, for example? Are the miners to be together with the hairdressers? Where in the world do you have such trade unions?" [15]. The opponent of Solidarity was going straight to the heart of the union's organisation—its regional structure.

Solidarity's insistence on a regional structure is in part a reaction to the State-controlled official trade union structure whose unions were organised along industrial lines. Since the State is the sole employer owning all of industry there was little motivation for Solidarity to imitate the industrial organisation of many Western trade union movements.

The choice of a regional structure has to do with the broad agenda of the trade union which includes community concerns like public transportation and food distribution. It has also to do with strong unions helping the weak ones. But perhaps the major reason for Solidarity adopting a regional structure is a practical reason of creating a mirror image to Poland's administrative structure. The country is divided into 49 *viovodships* or administrative zones which are run by a regional administrator called the *viovod*. He holds power over many community concerns.

Solidarity builds its structure from the plant level to the regional level to the national level. Such a development from the base is largely dependent on how the union responded to the Gdansk strike. As the strike spread from the Lenin Shipyard, other plants and factories that joined the strike formed inter-factory strike committees (MKS in Polish). They elected a Praesidium or joint strike committee from a cross-section of the various plants and professions. Thus the pattern developed in the Gdansk region was duplicated in other regions. The geographical grouping proved very effective in the big strike and Solidarity saw no need to find a new structure as the millions of applications to the union flooded in.

The three-tier structure gives strength at the base with skilful local leadership and a democratic concentration of power at the national centre in Gdansk. At the top, the union National Co-ordinating Committee includes the Chairmen of all regional Solidarities who in turn elect a small national praesidium that gets on with the day-to-day running of the union. Lech Walesa leads both the National Co-ordinating Committee and the National Praesidium.

Dues come from a check-off system at plant level at 1 per cent of the workers' wage or salary, and is distributed through the three-tier system with about 65 per cent staying in the plant organisation, 25 per cent going to the regional structure and 10 per cent sent on to the National headquarters [16].

The structure of Solidarity is unique; the organisation has created an alternative centre of power in Poland. Solidarity poses a double threat to the Soviet Union precisely because it is both a free trade union and a larger movement with aims to help democratise the Polish Communist Party. The fear is that "the Polish threat" will spread to central European satellites under its domina-

tion—Hungary, Romania, East Germany, Czechoslovakia. There is also worry about the potential disruption such activities may have within the Soviet Union itself. Ukrainian coal miners tried to organise a free trade union in 1978 and failed. At Solidarity's first annual congress this autumn the trade union fanned Soviet fears by giving its support to the idea of free trade unions throughout the Eastern bloc.

During the congress, despite great excesses of rhetoric, the leadership of Solidarity asserted its ability to make gains with the Government by compromise. On the industrial democracy front Walesa came to a compromise on the self-management demand for workers to choose the country's top industrial managers. The private way he and other union leaders made the deal led them to a public censure by the membership who nevertheless accepted it. In the end, Solidarity established the right of workers to elect management. In practice the authorities will reserve the exclusive right to appoint directors of certain factories, defence plants, prisons and all enterprises bound up with the national security, the finance ministry and the justice ministry. Other enterprises outside the self-management law included LOT (the state airline), state insurance companies, banks, the state railways, postal service and telecommunications. Both the Government and Solidarity will jointly draw up lists of exclusions. How the managers are actually elected is still unclear. The Government and the workers councils will both hold veto power over the appointment of directors. If a stalemate occurs, a court will intervene to decide the appointments.

Solidarity is organised along regional lines as a mirror image of Poland's administrative structure

One important sign of Solidarity's passage from a movement to a trade union organisation was the amount of time at the congress given over to internal problems and concern for its own structure. Whilst the trade union still must concern itself with strategies to cope with the outside authorities, as it has for most of its first year, it is now committing energies toward its internal government. Appeals were made from some of the 892 delegates to not get so caught up in the big political and economic picture that the trade union lost sight of its duty to better the day-to-day working conditions of its members. On that score workers were worse off now than before the union and a backlash of resentment against Solidarity was possible.

Still Solidarity gains are amazing. It is the first independent trade union in a Communist bloc country. It has won the right to strike and ended the Party's monopoly on the press. Reaching outside its ranks, Solidarity has helped the nation's 3½ million private farmers gain independent recognition as a group and better benefits from the Government. It has achieved co-existence with the Party and now has begun to whittle away at the Party's economic, cultural and political prerogatives.

Internally, Solidarity belied much of its radical rhetoric at the congress and selected Walesa with 55.2 per cent of the poll in a four-way leadership vote. Walesa, deliberately low-keyed at the congress, summed up things saying "Over the past year, we have been learning democracy. Through this congress, we will be wiser because of the comments and policies made here".

KOR disbanded at the congress giving over its role as an opposition force to Solidarity—a clear sign that the underground movement could best achieve its goals of defending workers' interests through the trade union organisation.

Solidarity's reform package is bound to bring it into conflict with the Government

How it sees the workers' interests is quite special. Solidarity's focus on the dignity of the worker is translated into concrete action at the bargaining table. Another of the 21 demands won at Gdansk was for work-free Saturdays. During April the Silesian miners, through their Solidarity negotiators, finally reached agreement with the Government abolishing the special "mobilisation fund" for encouraging miners to work on Saturdays. The miners had to persuade management to give them *less* money for overtime. They argued that they were being paid too much for working on weekends (a rather unusual trade union position). Reluctantly management agreed to discontinue the fund that provided for weekend wages at four times their normal rate.

"It was a protest against the authorities' approach to miners as though they were subhuman" explained Jerry Kurkowski, a member of Solidarity's executive in the mining town of Jastrzebie. "Just give them money, a bottle of beer and vodka—that was the idea. But Silesians have their own identity. They felt the extra money, four times their normal pay, and special food supplies, somehow dishonoured them. You must remember that we are going through a renaissance of self reliance, of honour and of Christianity in Poland. Miners are very Christian men. The old system of weekend mining was anti-family." To celebrate the victory more than two-thirds of Poland's miners took the first Saturday in May off to be with their families. Many were naturally happy to exchange the dark tunnels of the mines for the open fields in spring weather.

The Way Ahead

Solidarity is now embarking on a broad canvas of political, social and economic reforms, which will no doubt bring it into conflict with the Government. The stakes are, as always in Poland today, very high. Poland's economy is in a downwards spiral. National income is expected to fall by 15 per cent this year, added to a drop of 4 per cent in 1980 and 2.3 per cent in 1979. Steel production is down 15 per cent this year, cement 30 per cent and steel about 18 per cent down. Food shortages are critical and a great winter of discontent is now inescapable. Solidarity will be pinning the blame to the Party, while the Government stridently accuses Solidarity of sabotaging Poland's socialism. Solidarity will demand a power-sharing role in stopping the country's economic slide. It may resort to "positive strikes" at the plant level—local take-over of control.

Over the last four decades Communism has made little headway in Poland. Seventy per cent of the land is still privately owned, divided into small family-farmed allotments. Communist control of industry has taken the country to the brink of bankruptcy. In the cities there is little love for the Party. A recent poll showed that only 3 per

cent of the country would vote Communist given a free choice. The poll discovered that 34 per cent would vote Christian Democrat, 27 per cent Socialist, 19 per cent Liberal and 4 per cent Farmer's Party.

Ironically, about a third of the Party's membership of roughly 3 million also belong to Solidarity. But with the tone of the Congress it is questionable whether the two roles, party member and Solidarity trade unionist, are compatible. Party members across Poland hear the catchword "*Odnowa*"—"renewal" and may still even use it themselves without any clear understanding of all it may involve.

"I am a union man and not a socialist" Walesa says. He is determined not to sell-out and to speak the truth where conventional wisdom has always encouraged duplicity. Recently, when asked if Communism had failed in Poland, Walesa said "It depends on the way you measure the concept of good, bad, better, worse. Because if you choose the example of what we Polish have in our shops, then I answer that Communism has done very much for us. In fact, our souls contain exactly the contrary of what they wanted. They wanted us to be materialistic and incapable of sacrifices; we are anti-materialistic, capable of sacrifice. They wanted us to be afraid of the tanks, of the guns, and instead we don't fear them at all."

Lech Walesa knows what the word "*Odnowa*" means. He also possesses an indispensable quality for a Polish leader—a sense of history. And he can be dead wrong. Nearly two years ago he said "I'm sure that we'll get free trade unions in this country one day—but not in my lifetime." Now he and the other leaders of Solidarity are vigorously at work to defend the free trade union that they have so suddenly and so spectacularly founded last August. The stakes are very high. In October 1980 Walesa told an outdoor rally in Jastrzebie "Do not give in, for once you do give in, you will not rise back for a long time. Indeed, we cannot surrender, for those who will follow us will say 'They were so close, and they failed.' History would not absolve us then."

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What's so special about quality circles?

*John Bank and Bernhard Wilpert**

The success of Quality Circles over the last twenty years in Japan commands attention. Japanese Quality Circles are one element in the country's international supremacy in manufacturing and trading.¹

A subcommittee of the US House of Representatives concluded its second detailed report on trade with Japan in two years with the following statement:

“It has become increasingly clear to us, and to many businessmen dealing with Japan, that our trade problems result less and less from Japanese import barriers and more and more from *domestic American structured problems of competitiveness and quality*. There are clearly lessons to be learnt from Japan.”²

Were the Quality Circles movement circumscribed to that island nation it would merit scientific examination as a culture-bound phenomena but it would be of scant interest in the West. The fact that Quality Circles have been successfully created in countries as diverse as England, Korea, Sweden, Taiwan, Spain, Germany, Belgium, Brazil, Malaysia, Australia, Italy, China and the United States, argues for a methodical international comparative investigation into Quality Circles. The thriving of Quality Circles has demanded the attention of practising managers in many lands and the management schools which promote ‘best practice’. Quality Circles are too important to be left to the journalists, the consultants, the propagandists.

1. Japan's GNP was the third highest in the world in 1980. With virtually no physical resources, it supports over 115 million people, has a balance of trade surplus of \$75 billion and has an investment rate and a GNP growth rate that is double the US rate. (Pascale and Athos, 1981.)

2. Report on Trade with Japan of the Subcommittee on Trade of the Committee on Ways and Means, US House of Representatives, Washington, 5th September 1980, preface (emphasis added).

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The success story of Quality Circles has been told by Japan not always disinterestedly. The Japanese Union of Scientists and Engineers (JUSE), founded in the 1950s to promote quality control activities in industry, has become the umbrella organisation for the country's over 10 million Quality Circles members. It promotes a quality month, holds national and international Quality Circles conventions, encourages awards and sponsors training programmes. It also hosts foreign guests and sends its own speakers across the world to sing the praises of Quality Circles and high quality Japanese products.

The predominance of 'successful stories' about Quality Circles, be they Asian, European or American, in the business press and the eagerness of consultants everywhere to generate a bandwagon approach to the topic, may cloud the fact that they are potentially powerful forms of direct employee participation. There is a danger that such over-exposure may create a backlash against Quality Circles as a fad before social scientists have the opportunity to examine them critically as a new form of organisational change.

The original quality circle model

History

Japan after the Second World War had a reputation for the mass production of junk merchandise. As a nation that needed to import all of its energy and raw materials it could not thrive economically on the manufacture of poor quality products. It was also an occupied country. As an act of retribution General MacArthur's Government removed many senior managers of major firms and turned companies over to younger men. The new managers studied managerial techniques from abroad and attempted to integrate the best practices with Japanese traditions at work.

Quality control developments evolved in a series of five distinguishable periods. Japanese managers and certain American mentors launched investigations and research on the application of new quality control techniques as they applied to Japanese industry during the first period (1945-50). A quality control study group was formed under the sponsorship of the Civil Communication Section (CCS) of the Allied Forces, the Japan Standards Association (JSA) was established and the Industrial Standardisation Law was passed (Imaizumi, 1981).

The second period (1950-55) saw the introduction of statistical

methods and the input of an American, W. Edward Deming, whose course in Japan on statistical quality control was begun in 1950. The newly formed Japanese Union of Scientists and Engineers (JUSE) geared education and training seminars on statistical methods to workers. These included courses in quality control basics for middle management and in operations research. The Japan Standards Association (JSA) also set up basic work-related courses on quality control and standardisation.

The brand of Statistical Quality Control which Deming advocated actually called for quality control specialists in a separate department of the firm and his general approach could be viewed as deriving from scientific management. The impact of his method was great and thirty years later his legacy to the Quality Circle movement is still acknowledged by the coveted Deming Award, given to companies and individuals who excel in Quality Circle achievements. The Japan Productivity Centre was jointly established as a management institute in 1955 by the government and private corporations. Developments within industry were paralleled by social change as the country launched literacy campaigns and compulsory schooling. These changes took place against the background of the high growth or boom years (1955-1963), during which the average growth rate in real terms exceeded 10 per cent and industrial output tripled (Yoshino, 1968).

A new orientation toward quality control came toward the end of that period when another American, J. M. Juran, argued convincingly that quality control had to be considered in the context of the general management task. Line managers, not only staff specialists, had to concern themselves with quality. A series of lectures he delivered set off a cascading campaign by JUSE to involve senior management in the quest for quality. Leading firms set up in-company courses. Radio courses for foremen were broadcast nationwide and booklets were offered at newspaper kiosks. In contrast to the wider, public campaigns, in-company total quality control dominated the third period (1955-60). Following Juran's lead, training courses for top and middle managers were created by JUSE and JSA and quality control seminars carried out for purchasing and sales departments.

Specific Quality Control Circles emerged only in the fourth period (1960-65). They were a logical outgrowth of a preoccupation within the firms with total quality control which shot straight through the company from senior managers to the shopfloor. As training courses on quality control reached foremen and front line supervisors a national magazine was published, entitled "Quality Control for Foremen". In a seminal article in this publication, Ishikawa (1963)

recommended that foremen establish book-reading circles within their work groups to promote quality concern. His suggestion was gradually taken up across the country and the work-based groups soon moved from theoretical study to problem solving; the first Quality Circles were under way. November was designated 'Quality Month' and periodic Quality Circle Conferences began to be held at local level. This was the beginning of a move away from the traditional scientific management approaches to quality control into something that emphasised group decentralisation, participative decision-making and very extensive training to reinforce the new departure.

The Japanese assumed total ownership of the thrust for quality between 1965-70, the fifth period during which specific Japanese-styled quality control took shape. Education and training in quality control concepts and techniques were expanded to include every level in the organisation from top management to the shopfloor. A quality control audit in the company was introduced by senior executives, the application of statistical methods was extended and computers were used for quality control activities. National Quality Circles activities were organised, including a National Convention where Quality Circle members could engage in an open forum for presenting their best work. Although the adaptation of an imported idea to Japanese conditions had hardly begun, efforts to promote Quality Circles in the United States by visiting Japanese managers were made as early as 1968, albeit with little result. American managers at the time were experimenting with their own quality control approach called 'Zero Defect' (Crosby, 1979), and also suspected that Quality Circles were culturally-specific to Japan.

In 1973 a management team from the Lockheed Missiles and Space Company of California returned from Japan and set up the first American Quality Circles which serve as a model for other major US companies, such as Westinghouse, Harley Davidson, General Motors, Babcock and Wilcox, and Honeywell. Other organisations, such as the US Air Force, Army and Navy and public agencies have adopted Quality Circles.³ Pioneers in introducing Quality Circles in the UK in the late 1970s included Rolls-Royce and ITT. By January 1981 there were at least 40 British companies with Quality Circles; the figure doubled by May and by 1983 there are well over 200 companies using Quality Circles. They include Philips, Ford, May and Baker, Eurotherm, Mullard, British Leyland, Chloride, Wedgwood and

3. Mark Sokol estimates that the US armed forces had 1,100 Quality Circles (Personal Communication).

Marks and Spencer, A. B. Electronic Systems Limited, Bally Shoe Factories (Norwich) Limited, B. H. Blackwell Limited, Bowyers (Wiltshire) Limited, British Aerospace, British Telecom, Daiwa Sports Limited, Ferranti plc, Fisher Controls Limited, Glamorgan Counties Group Training Association, Jardine Glanville Limited, J. E. Hanger and Co. Limited, National Semiconductor (UK) Limited, Rank Xerox, Wadale Associates. In the Federal Republic of Germany, Ford boasts of over one hundred Quality Circles in operation and a number of companies are at various stages of introducing the idea (e.g. Zeiss, Pelikan, Feldmuhle, Bauknecht, Bosch).

Constituent elements and modus operandi of quality circles

Quality Circles can be defined as voluntary groups of between five and fifteen people who do the same or similar work and meet regularly, usually under the leadership of their foremen, to solve work-related problems. Despite their worldwide applications, Quality Circles share compatible objectives, similar personnel settings and a comparable modus operandi.

The objectives of Quality Circles in Japan include (Ishikawa, 1981):

- To aid self and mutual development
- To increase quality awareness
- To capture the creativity and brain power of the workforce
- To improve worker morale
- To develop managerial ability of circle leaders
- To implement and manage accepted ideas.

There are, then, three aspects to the objectives set for Quality Circles

- (1) a developmental objective for work people and their foreman
- (2) a team-building objective achieved through participative decision-making and
- (3) a task improvement objective often resulting in a better product or process at work.

One of the primary aims of Quality Circles is to re-establish the essential role of the foreman. It is important that he assumes leadership of the circle and help shape it through careful project selection and training. Over the last sixty years the role of first-line production supervisors has undergone extensive change. Previously he exercised a good measure of control over the workforce and a rather straight-

forward relationship with his supervisors. Today, the supervisor finds himself further removed from the decision-making centres that directly affect shopfloor and departmental work. The supervisory role had been viewed as 'man in the middle' (Roethlisberger, 1945), who has to deal with the conflicting demands of management and the workers, or what has been called 'marginal men', occupying a position on the boundary between management and labour in a sort of organisational limbo (Wray, 1949). Much of the research done on the superintendent was downward-looking from his position in the organisation, focusing on his relationship with subordinates and the effects of his behaviour on workers' performance. An alternative perspective, that is viewing the supervisory role looking upwards — his relationship with higher management — reveals further changes in the role touching on his authority and the priorities which are set for him in terms of work objectives (Child, 1975). Against the background of these unsettling changes, Quality Circles might result in a simple, clear method of asserting the foreman's leadership at the grass roots level by increasing participation and control. He is not only Chairman of the Circle, but he assumes a training role as well with regard to Circle members.

Training requirements are critical to the successful Quality Circles. First the group leader undergoes a training course in the problem-solving techniques which he then teaches to group members. Commonly used techniques include Pareto analysis⁴ and cause and effect diagrams.⁵ In Japan foremen over the past 20 years have continued to develop circle training until some of them are using university level statistical techniques to solve problems.

The personnel setting for Quality Circles is the work group, where members share similar work under the same supervisor. No other members of management may belong to the Circle, although circles, of course, are free to call on experts or managers for their inputs to problems. There is increasing evidence that such direct job level participation is highly in demand by workers (Wall and Lischeron, 1977; Heller et al., 1979).

A key element in the modus operandi of Quality Circles is considered to be their voluntary nature. Employees may be subjected to management persuasion and peer group pressure to join Quality Circles but they are not coerced into joining; no payments are offered for Circle involvement and no one is explicitly penalised for not taking part. (In Japan, it must be admitted, group pressure often blurs the line between voluntary and compulsory behaviours and company-

4. Pareto analysis is a technique which is named after the 19th century sociologist Vilfredo Pareto and often shows that about 80 per cent of costs can be attributed to only 20 per cent of the problems and therefore helps Quality Circles to concentrate on the critical few problems rather than dissipate their energies on the many.

5. A cause and effect (or fishbone) diagram is a technique used after brainstorming has identified a range of possible causes of a particular problem. The main categories under which causes are grouped are manpower, methods, material and machines and these categories can be broken down further into sub-causes.

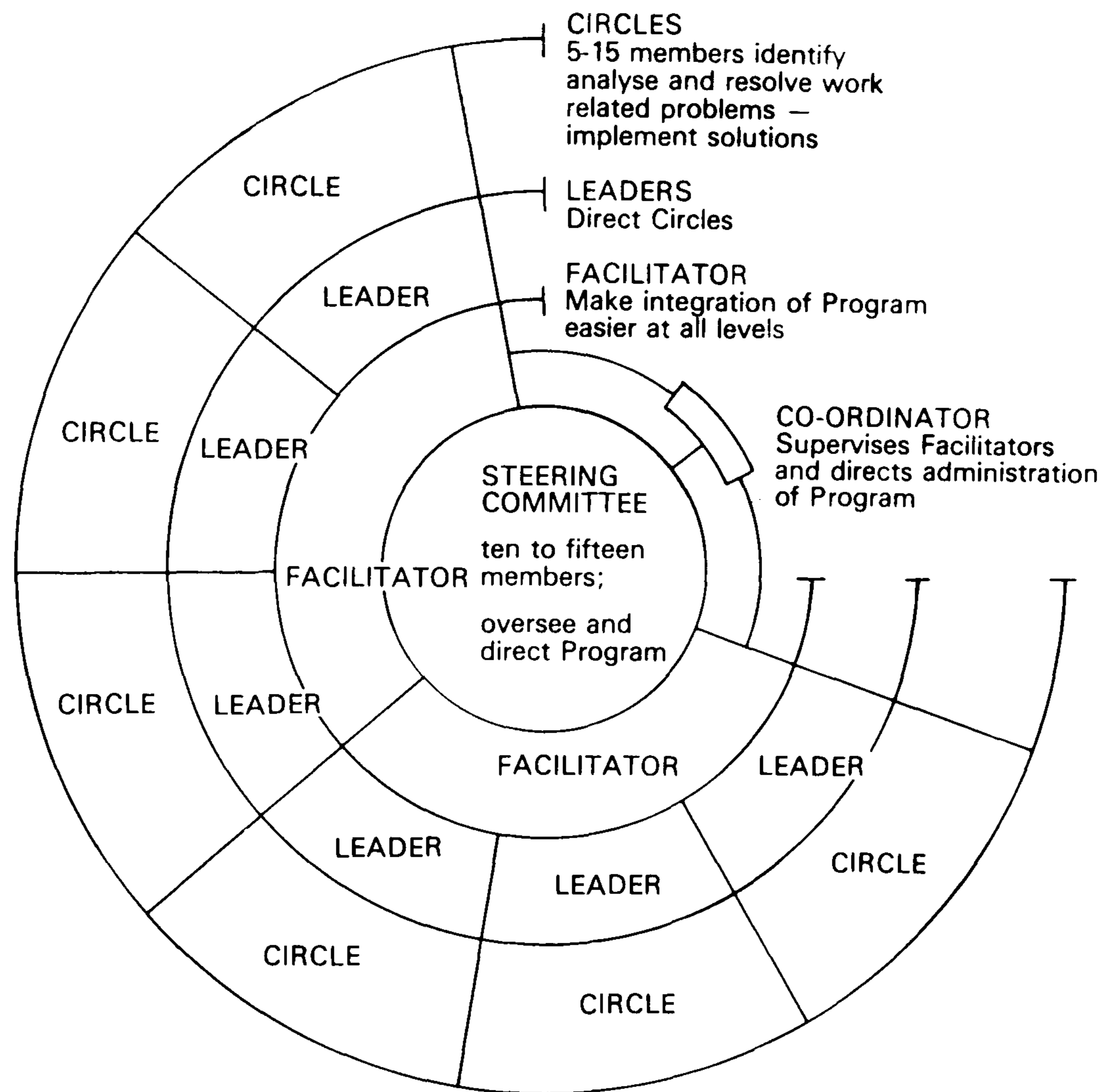


Figure 1 Quality Circles organisation.

From Tse, K. K., *Harnessing Quality Circles For Higher Quality and Productivity*, Hong Kong, Industrial Relations Association, 1981.

wide bonus payments several times a year are directly linked to a firm's performance.)

As continuous organisations Quality Circles are given a good deal of autonomy. They are allowed to set their own agendas as to the problems they choose to solve and are often given authority to implement the solutions; otherwise they simply recommend solutions to management.

Quality Circles may enjoy a large measure of autonomy but they are also offered much backup in the form of facilitators who make the integration of the programme easier at all levels, co-ordinators who supervise.

On the whole, the dramatic spread of QCs on and beyond Japanese islands appears as a telling proof of their general appeal and practical utility. Furthermore, although no explicit theoretical foundation for their viability is claimed, implicitly the functioning of QCs can be seen in line with certain Western theories of organisational structure and processes. Hence, it would seem important to explore differences and similarities of Quality Circles with some comparable more traditional and sometimes better researched organisational forms and instruments in Western industrialised countries.

Related concepts and models

Task force

Temporary task forces are, in one way or another, considered throughout industry as an appropriate means of trouble-shooting, fact-finding, policy-planning, and development of organisational change programmes. Inasmuch as such task forces try to draw on existing organisational competence and resources relevant for the problem at hand, and as they use analytical methods of problem scrutinising, they may be likened to Quality Circles as described in the preceding section. Also, the success of temporary task forces, as of Quality Circles, depends on the establishment of effective communication among their members.

But these elements of similarity are outweighed by the obvious differences. Drought (1967) has postulated that clear task definitions must precede the work of task forces. Such definitions are usually formulated by higher management levels. In consequence, task force leadership is generally also provided by members of the upper organisational strata. The often inter-disciplinary composition of task forces is made on the basis of relevant expertise in various hierarchical levels. These assignment processes make it doubtful that the critical condition of Quality Circles, as being *voluntary gatherings* of personnel, in the same work setting can be applied as strictly task forces. Furthermore, the clarity of task definitions by Quality Circles is to be considered more as the end result of collective learning and training processes than as an input from outside. This and the fact that temporary task forces have specific problem solving related life spans while Quality Circles, at least according to their basic intentions, are continuous efforts, make both, indeed, different in kind.

(Semi-) autonomous work groups

The socio-technical systems approach of the Tavistock Institute of Human Relations has encouraged a wide variety of experiments with (semi-) autonomous work groups, notably in Scandinavia (Klein, 1976; Thorsrud et al., 1976). The critical dimension on which such work groups can be evaluated is the degree of their autonomy, which may vary from the groups' influence on setting its own qualitative and quantitative goals, its decision power on task determination and choice of group production methods, internal task distribution, all the way to recruitment decisions, decisions of internal leadership and choice of individual production methods (Gulowsen, 1972; Rohmert and Weg, 1976).

(Semi-) autonomous work groups and Quality Circles, in spite of their large share of common features along the autonomy dimension, differ in two significant characteristics. For one, (semi-) autonomous work groups deal directly with production and, for another, once established their voluntary nature is drastically reduced, while the completely voluntary Quality Circles deal indirectly with production due to their predominant preoccupation with production analysis and the collective development of production improvement plans. Both also share a constraining element; their lack of boundary control, because they are both part of the larger entity of the organisation with its overarching goal system and overall structures which are usually beyond their discretionary freedom (Steinmann et al., 1976). Both must be concerned with attention to learning and the building of effective teams with the internal leader characterised by a supportive role as well as their ultimate goal for the improvement of their products and work situation. But one might call (semi-) autonomous work groups as being rather production oriented in contrast to the more process oriented Quality Circles.

Suggestion schemes

The improvement of product quality and production efficiency are the predominant concerns of all company suggestion schemes. As in Germany, they are sometimes embedded in a supportive legal structure that sets rules for the material rewards and their treatment by taxation authorities. Where such legal frameworks do not exist it is mostly custom and practice that provides the procedural and the remunerative treatment of accepted improvement suggestions (Reisinger, 1981). This concern for improvement is common to Quality

Circles as well as suggestion schemes. Both lend themselves to the detection of especially innovative organisation members and hence can serve a certain personnel advancement function. Suggestion schemes do not usually devolve influence, whereas Quality Circles may do so. Their critical difference lies in two characteristics; one, suggestion schemes are geared to individual creativity, whereas Quality Circles depend on collective group innovativeness. And, secondly, suggestion schemes work with material (financial) rewards, while Quality Circles do not directly, since they depend on intrinsic motivation of Circle members.

Lernstatt

During the last ten years, some large German companies (BMW, Hoescht, MAN, Bosch) have begun to experiment with a model named *Lernstatt* (literally 'learning shop'), which attempts to integrate learning and working. Starting with language training efforts for foreign workers, it was soon realised that language teaching was not enough, but that transfer of knowledge about functional responsibilities of superiors and various divisions of works councils, as well as safety issues and the like were also required, even for indigenous staff. From these beginnings developed a pattern in which a group of about ten employees would meet regularly (for one hour every two weeks or so) during work time to discuss self-chosen themes under the moderation of a member of the supervisory level. A team of company internal experts serves as a group of resource persons for the *Lernstatt*. Its central function is described as being 'an institution in production plants for the exchange and deepening of factory experience, for the extension of basic knowledge of company interdependencies, and the improvement of intra company communication'.⁶ After a series of about ten such meetings, the group is dissolved and new groups are formed to enable a large part of the personnel to gain this experience. Exclusively concerned with training, the *Lernstatt* is considered by many as a prerequisite for the introduction of Quality Circles in Germany (Gottschall, 1980), because training in *Lernstatt* covers wider background areas rather than the Quality Circle problem-solving techniques.

6. As quoted in a Hoechst document.

Werkoverleg

In 1980 The Netherlands parliament passed the Work Conditions Act, which stipulates that in each (shopfloor) work unit regular consultation meetings are to be held between management and employees.

	QC	Task force	(Semi-) auton. groups	Suggestion schemes	Lernstatt	Werk-overleg	Total quality control
Objectives							
Product focus	0	+	+	+	-	+	+
Process focus	+	0	0	0	+	+	+
Quality improvement concern	+	+	+	+	0	0	
Motivation and competence concern	+	-	+	+	0	0	+
Leadership detection	+	+	0	+	-	0	-
Training concern	+	-	0	-	+	-	+
Cost reduction concern	+	0	0	+	-	0	+
Personnel setting							
Small group	+	+	+	-	+	+	0
Interdisciplinary membership	0	+	0	-	0	0	+
Several hierarchical levels	-	0	0	+	0	+	+
Modus operandi							
Continuous	+	-	+	+	-	+	+
Own ground rules	+	-	+	0	+	+	-
Voluntary	+	-	0	+	+	-	-
Own leader choice	+	-	0		-	-	-
Facilitator and other	+	0	0	-	+	-	+
Organisation-wide support structures							
Financial incentive	-	-	-	+	-	-	

+ = definitely/dominant characteristic.

0 = occasionally/to some degree.

- = no.

Blank = not relevant.

Figure 2 Synopsis of main characteristics of QCs and related concepts and models

The type of formal participation is called 'werkoverleg'. It sets the formal and institutional framework to be filled with content by the parties concerned (the works council also has the legal right of veto on any agreements reached through Werkoverleg negotiations). Major topics for Werkoverleg discussions are usually the distribution of tasks in the work group, working conditions, time schedules, interpersonal relations and communication problems.

Werkoverleg's concern with improvement of general working conditions and social climate within the work groups as well as the focus on local problems and their solution are quite similar to basic

objectives of Quality Circles. It is also quite likely that this communality in goal sharing leads to similar results (Drenth and Koopman, 1982). However, the legal and obligatory character of *Werkoverleg* should prove to be a major distinguishing feature of Quality Circles which make *Werkoverleg* appear to be more of a consultative and collective bargaining mechanism on the shopfloor. Furthermore, *Werkoverleg* — unlike Quality Circles — does not concentrate on training and qualification aspects of its members.

Total quality control

Quality control is a body of technical, analytical and managerial knowledge. As the field rapidly matured, the name 'total quality control' was attached to the newer principles, practices and technologies to distinguish it from the more limited and fragmented earlier work. A classic definition of total quality control reveals the scope of the subject; it is "an effective system for integrating the quality-development, quality-maintenance, and quality-improvement efforts of the various groups in an organisation so as to enable production and service at the most economical levels which allow for full customer satisfaction" (Feigenbaum, 1961).

Quality Circles would certainly have to be viewed as a critical part of total quality control. They represent one of the groups — the shop-floor or the point-of-service group — which must be integrated in a comprehensive TQC plan. They should not be compared to quality control fads such as those attempted in Britain in the early sixties called 'Right First Time', or the subsequent campaigns 'Quality and Reliability Year', 1966-67, and 'The National Strategy for Quality', 1978. Because they might create a participative and lasting structure at work level, Quality Circles could prove more durable than the American quality control attempts such as 'Zero Defect' and 'Buck-a-Day' (Crosby, 1979).

Conclusions

Our synoptic comparison of various classical (Western) organisational structures with classical Japanese-styled QCs revealed both striking similarities and differences. Given the reported rapid spread of QCs in the West it would be too easy to assume that (some of) the Western organisational concepts discussed above might serve as functional equivalents. Rather, it has to be assumed that QCs seem to serve certain organisational needs not met by more traditional means. This is of importance from the practitioner's as well as a researcher's point

of view. QCs as an organisational innovation in Western companies and public service agencies simply pose too many questions. Their accomplishment of intended and unintended results are hitherto not systematically researched and prejudice substitutes for the badly needed information for managers, unionists and employees. More in illustrative rather than in comprehensive fashion, we would like to spell out some relevant questions on four levels; the individual, the group, the organisation, and the socio-cultural context.

Individual level

What is the individual training effort of QCs as compared to more traditional training schemes? What attitudinal changes can be observed and expected from participation in QCs in terms of team spirit, identification with one's job, commitment to one's company? Do QCs lead to higher levels of resource utilisation and a person's feeling of being responsible for his/her own products/services? Will QCs lead to a better understanding of organisational inter-dependencies and higher levels of conflict, of questioning of authority structures and managerial practice. Is intrinsic motivation enough to participate in QCs and how can it be developed? Can QCs serve as effective means of identifying leadership resources? These and similar questions are tantamount to asking for the individual prerequisites of success in introducing QCs in Western contexts.

Group level

Can QCs replace other more traditional functional units (e.g. staff departments for quality control) and thus create new intra-organisational conflicts? Or will their operating with minimal hierarchical threads and constraints improve informal communication and support structures on the workshop level and thus increase mutual trust? Are QCs nothing more than a human relations shame cover-up for blatant managerial manipulation? What are the costs and benefits in terms of time requirements for joint problem definitions and decision-making as opposed to possible time gains in the implementation of decisions? All hopes and fears as yet without proof either way.

Organisational level

Is it possible to identify and measure the sub-system outputs of QCs in an aggregated form such that for instance QC-effects can be shown in the social climate or economic output of whole organisations? Will

QCs function in any mix of employee skills or is a certain occupational structure within the organisation a requisite condition for the implementation and functioning of QCs? Can QCs readily be implanted in the highly developed formal systems of participation and industrial relations in some European countries (IDE, 1981) without causing conflicts with existing consultative and/or representative institutions? Will strong unions tend to perceive QCs as an incursion into their own territory? Is fear of QC-originated worker redundancy justified? How will they affect local collective bargaining processes? Until more systematic and comparative knowledge about legal and custom and practice impediments to QCs in Europe and North America is assembled, the interface of QCs with existing traditional managerial and industrial relations structures remains at best a tricky issue, open to little founded claims and counter-claims.

Socio-cultural context

Are QCs culture free or will they have to be/can they be adapted to specific socio-cultural settings and requirements in Western countries? Are strong communalistic basic value orientations, as they are frequently attributed to Far Eastern cultures, the necessary background from which QCs can be developed? Similarly, can the relatively high level of training in the Japanese workforce and the extensive Japanese in-company training schemes effectively be substituted in Western countries?⁷

These are the types of questions to which we have found no unequivocal answer based on information that is more controlled than the flood of claims in connection with what so far must appear to many to be a new management fad. Not to find an answer — through rigorous research and an open sharing of practical experiences — will necessarily lead to a missed opportunity or a gigantic blunder.

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7. For relevant references, see Lammers and Hickson (1979), Heller and Wilpert (1981), Harvey (1978), Takamiya and Reitsperger (1981), Thurley et al. (1980) and Maurice et al. (1981).

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管理改革在中國

MANAGEMENT
REFORMS IN
CHINA

Edited by Malcolm Warner

7 Teaching the Chinese About Quality Circles — A Personal Account

John Bank

At last an official unlocked the cell to give him breakfast. He searched him again before escorting him to a testing room, where a panel of scholars sat at a long table. BaBa stood with his face to the wall and his hands clasped behind him. In this position he recited by heart from the Three Character Classics, the Five Classics . . . and the Thirteen Classics by Confucius's disciples; the examiners also threw in some five-word poems. He had been afraid that nothing would come out of his mouth, but once the first words, many of which he had kept ready on his tongue, broke forth, the rest came tumbling out, like water, like grain.

Maxine Hong Kingston (1981: 29–30) *China Men*

The Japanese engineer I met over breakfast in the Friendship Hotel in Beijing misled me. Speaking from his own experience as an engineer working in the capital who was also teaching Chinese engineers, he said: 'You'll never get them to brainstorm; they'll write down everything you say and memorize it; they won't even ask question.' His words inspired in me fears of a failed mission. Without participation from the management students it would be impossible to teach the theory and the practical application of quality circles. Brainstorming and other problem-solving techniques were essential to the course. Without an effective training programme, chances were slim that the managers from across China who attended the sessions would launch quality circles in their manufacturing and services sectors. The engineer also expressed his amazement that an expatriate American who had never been to Japan would be sponsored by the British Council to go from London to Beijing to teach the Chinese about 'Japanese working methods'. His point was well taken. But it was the Chinese themselves who had selected the topic of quality circles from a smorgasbord of business subjects placed before them by the Cranfield School of Management at the Cranfield Institute of Technology early in 1985.

In May, a delegation of three senior lecturers from the Commercial Cadre Institute of Beijing and their interpreter arrived from Beijing to visit the Cranfield Institute of Technology and to develop further academic and cultural links between the two educational institutions. During their three-

week stay they gathered facts and impressions about management education, business and industry in Great Britain and also helped to plan a reciprocal visit from the Cranfield faculty the following September/October. In addition to quality circles, they chose management information systems as a second topic for the seminar in Beijing.

At my request to provide necessary training material for the quality circle seminar, the interpreter, Li-jiu Zheng, undertook to translate an 80,000 word book of training materials for quality circles (written by Mike Robson). Waiving all copyright considerations, as had been their custom, the private printing of the book on rough paper appeared in time for use in the seminar. (There is a plan to bring China in line with other modern nations on copyright although the government does not see the issue as a high priority. In the past when authors of academic and business books were even told of the desire to have their books translated and printed officially in Chinese no payment was offered.) The managers had, then, an excellent training manual in their own language, but would they brainstorm?

In the afternoon of the first day of the course after a slide lecture on lateral thinking and brainstorming as an alternative to analytical thinking for organization problem-solving, I unwrapped several packets of 'Blu-tack' and passed chunks of the bluish clay-like substance among the managers. (A year earlier I had seen the product in stationery stores in Hong Kong in a Chinese package, but no one in the group admitted to having ever seen the product.) 'We are going to brainstorm the *uses* of 'Blu-tack', I said confidently. A hand shot up: 'First tell us more about the *properties* of this wondrous substance' came the request. No information was given. The interpreter took her place at the flip-chart and the brainstorming began slowly and gathered momentum, producing bursts of laughter from the group, the test of a successful session.

Brainstorming is a technique for obtaining a large number of ideas from a group of people in a short time. Invented by an Englishman, Alex Osborn, during the 1930s, the technique requires that the participants suspend judgement and criticism, let their minds freewheel and strive for a great quantity of ideas. The ideas put forth are written large on flip-chart papers and posted around the room as they accumulate. Later, after the session, the ideas are incubated and subjected to criticism. This particular session ended with nearly two hundred uses for the strange substance 'Blu-tack' in the twenty minutes allotted to the exercise. One of the wildest ideas was to use it to repair the Great Wall of China. Another wild idea was to create a 'Blu-tack' bowl to replace the Iron Bowl. Against the predictions, the pivotal quality circle techniques had been accepted.

The need for quality circles in China is manifest to indigenous managers, to ordinary consumers and even to visiting tourists. Poor product quality and poor quality service are widespread. The more extreme cases break into print at times. The *China Daily* frequently berates the inferior quality of Chinese goods and services, particularly when unsafe products cost lives and poor

services lose foreign currency. In one account the paper reported that an entire group of American tourists checked into a new joint-venture hotel and checked out twenty minutes later because standards of restaurant hygiene and service were unacceptably low, despite the shining new facilities.

In a 'seller's market' situation concern for customer satisfaction is almost non-existent. Surly service from disgruntled clerks, some of whom are 'underemployed' and feel trapped in low-level jobs, is a common experience in Chinese department stores. 'Putting people first' or 'The customer is king' are foreign ideas to most Chinese engaged in the service industry. Owing to a bomb scare on our flight from London to Beijing the flight was delayed over four hours while all the baggage was removed from the jet and passengers identified their luggage on the tarmac in Bahrain. The delay meant that we arrived at our hotel in Beijing a few minutes after 9 p.m., the cut-off time for dinner without reservation. We were treated to the spectacle of our Chinese hosts having to fight with hotel staff to get food on our table, while nearby a group of actors who had arrived after us, but apparently with a reservation, received normal service.

The state-run travel bureau in China provides many examples of bad service. Most visitors to the country must deal with the travel bureau and pay its high fees because of language problems or the red-tape procedures established by the Government. Visas must be obtained, airline and train tickets bought far in advance, good hotels at a premium require advance bookings. The scope for error is enormous, especially given the dearth of computers.

The following actual conversation between a traveller and a travel agent illustrates the problem.

Traveller: Are there any flights from city-B to city-C next Monday, which is exactly one week from today?

Agent: 'Yes, I think so.'

Traveller: 'Could you then get a ticket for an afternoon flight on that day?'

Agent: 'No, it is not possible.'

Traveller: 'Why not? There are still some seats available, aren't there?'

Agent: Yes, but I cannot buy one for you here. Since you will be taking off from city-B, you can buy the ticket only from our city-B branch.'

Traveller: 'Could you at least give them a call to make a reservation for me, please?'

Agent: It is our policy not to take any reservations over the phone. You must go there first, O.K.?'

Traveller: 'But . . .'

The traveller could get no further with this agent, who appeared more anxious to get rid of him than to offer help. Four days later, immediately upon reaching city-B, he rushed over to the bureau's branch office; but this visit again turned out to be equally futile and frustrating. 'Sorry, all flights to

city-C are now booked solid for the next five days', was the only answer he could obtain. In the end, the traveller managed to buy a ticket at the railway station for a three-day train trip to his final destination (Fukuda, 1986).

Parallels exist between the poor quality of Chinese goods today and that of Japanese goods at the end of the Second World War. The Japanese quality revolution and its amazing export success had given that island nation, with virtually no natural physical resources, the third highest GNP in the world by 1980. Japan supports over 115 million people (nearly twice the population of Britain), by exporting \$75 billion (US) worth more goods than it imports. Both Japan's GNP growth rate and its investment rate are twice that of the United States (Pascale & Athos, 1982).

The success of Japan owes much to a complex national industry policy (Ouchi, 1984). But the thrust for quality goods and the role of the country's one million quality circles in this effort have been significant. The Japanese Union of Scientists and Engineers (JUSE), founded in the 1950s to promote quality control activities in industry, maintains that the Japanese saved over \$50 billion (US) in the first sixteen years of their quality circle programmes, begun in 1962. Since 1978, the savings have been an estimated \$5 billion (US) per annum. One Japanese company, Toyota, reported receiving 587,000 suggestions to improve its products in one year, mostly through quality circles, from its workforce of less than 40,000 people. In the potentially massive economy of China, with over a billion population, possible quality savings from quality circles and other quality programmes are enormous.

A subcommittee of the United States House of Representatives concluded its second detailed report on trade with Japan in two years with the following statement.

It has become increasingly clear to us, and to many businessmen dealing with Japan, that our trade problems result less and less from Japanese import barriers and more and more from *domestic American structured problems of competitiveness and quality*. There are clearly lessons to be learnt from Japan.

Not surprisingly, some of China's Asian trading rivals such as Taiwan, Korea and Malaysia, have already learned the lessons and have well-developed quality circle programmes in place (Bank & Wilpert, 1983). A strategy focused on quality is still one of the best ways any country or company can respond to competition.

Both a strong domestic need for quality circles and the competitive example of other countries made the managers who arrived at the Commercial Cadre Institute of Beijing highly motivated to learn the principles, roles, techniques and theory of quality circles. The fifty management students came from a wide geographical region across China and ranged in age from 20 to 62, with an average age of 37. They represented a broad spectrum of industries, from agribusiness to the oil industry, from commercial institu-

tions to retail trading, from transport to education, from purchasing groups to public sector administration, from marketing organizations to co-operative communes. Their positions also ranged from director and vice-director to frontline supervisors, from president and vice-president to foreman, from dean to lecturer. As most were management students, they viewed the training inputs from the perspectives of their own organizations and were eager to ask specific questions from their particular businesses and industries to strive to achieve a better 'fit' of the techniques and structures of quality circles with their business and organizational needs. We were impressed by the way the management students were able to learn from us what they needed to learn: to take it and to run with it.

There was also a cultural 'fit' that made them receptive to the quality circle message. The small-group focus and its work-group base were very compatible with both cultural norms and the spirit of collective responsibility. The consensus approach to decisionmaking promoted in quality circles, for example, was something they had sought to do all their lives. Tasks assigned to the small groups were taken seriously. Report-back plenary sessions were a matter of group pride in performance—the calligraphy was superb and the verbal report well-spoken.

Not only were the concepts compatible culturally, but the pedagogy used to communicate them was equally fitting. One-way lectures, case studies, group dynamics such as the classic 'Desert Survival', dialogue, slide lectures, etc, were all used. The managers enjoyed the new idea of case studies and turned their hand to working towards solutions to the problems they posed. They even wrote case studies. Their only fault was the failure to use quantitative data for decisionmaking. When they wrote their own cases, they left out the quantitative data that Western managers require. I would often forgo a full interpretation of the interactions, settling instead for résumés in English to keep the need to translate into English to a minimum and to keep the exchanges freewheeling. Having a skilful interpreter was key and I found I could speak quite naturally and think ahead while she rapidly interpreted my English.

In one of my first sessions I had explained the process for making micro-chips, concentrating on how the silicon chips are manufactured in a dust-free environment, ten thousand times freer of dust than European operating theatres. A single particle of dust could destroy the entire batch of chips, as well as ruin millions of pounds worth of equipment. Hence, employees take repeated air showers to free them from any dust particles and also wear protective clothing, rather like space suits. The rooms they work in have a series of air locks to keep the environment perfectly pure.

Two days later, a middle-aged manager at the back of the classroom near a window began to vigorously massage his head with both hands, throwing up dandruff in the sunlight. At first I ignored the disturbance and concentrated on the verbal exchanges at the front of the classroom. When the distracting action had carried on for over five minutes, I privately asked the interpreter

what in the hell he was doing. 'He's preparing to make the micro-chip' came her swift and disarmingly witty reply.

Among themselves the Chinese management students argued fiercely for their points of view on issues, sometimes shouting in their enthusiasm. But, although issues were hotly debated, respect was shown for opposing views and somehow matters got resolved in consensus agreement. The dreaded 'loss of face' issue that dominates much of Chinese interpersonal relationships did not stop the cut-and-thrust of debate. There was not much debate among the managers about the principles, roles, techniques and theory of quality circles, these having evolved since the early 1960s, first in Japan and then globally. The core principles are widely respected and are normally part of a success criterion for the project. A quality circle is a small group of employees from the same work area who volunteer to meet regularly in paid time to identify, investigate, analyse and solve work-related problems. Voluntariness runs from the top to the bottom of a quality circle programme. Employees may be somewhat pressured by managers or by peers to join a quality circle, but they are not coerced into joining. No financial inducements are offered for participating in quality circles and no one is penalized for not taking part. Voluntariness is a *conditio sine qua non* of an effective and lasting programme.

The quality circles are also work-group-based, usually with the first line supervision as the leader. One of the primary aims of quality circles is to re-establish the essential role of frontline supervision. It is important that he assumes leadership of the circle and helps shape it through careful project selection and training. Over the last sixty years the role of first-line production supervisors has undergone extensive change. Previously, the supervisor exercised a good measure of control over the workforce and had a fairly straightforward relationship with his supervisors. Today the supervisor finds himself further removed from the decision making centres that directly affect shopfloor and departmental work. The supervisor has been viewed as a 'man in the middle' (Roethlisberger, 1945) who has to deal with the conflicting demands of management and workers, or what has been called a 'marginal man' occupying a position on the boundary between management and labour in a sort of organizational limbo (Wray, 1949). Much of the research that has been done on the superintendent is downward-looking, from his position in the organization, focusing on his relationship with subordinates and on the effects of his behaviour on workers' performance. An alternative perspective, that is, viewing the supervisory role looking upwards—his relationship with higher management—reveals further changes in the role, touching on his authority and the priorities that are set for him in terms of work objectives (Child, 1975). Against the background of these unsettling changes, quality circles can provide a simple, clear method of asserting the foreman's leadership at the grass-roots level. He is not only Chairman of the Circle, but he assumes a training role as well with regard to Circle members.

Training requirements are critical to the successful quality circle. First the group leader undergoes a training course in problem-solving techniques,

which he then teaches to group members. Commonly-used techniques include Pareto analysis, a technique named after the nineteenth-century sociologist Vilfredo Pareto that often shows that about 80 per cent of costs can be attributed to only 20 per cent of the problems, and therefore helps quality circles to concentrate on the critical few problems rather than dissipating their energies on the many.

Other commonly-used techniques include brainstorming and cause-and-effect diagrams. A cause-and-effect (or fishbone) diagram is a technique used after brainstorming has identified a range of possible causes of a particular problem. The main categories under which causes are grouped are manpower, methods, materials and machines, and these categories can be broken down further into sub-causes. In Japan foremen over the past twenty years have continued to develop circle training until some of them are using university-level statistical techniques to solve problems. In the West the tendency is to keep it simple. Abstract theories or background topics are avoided and the training is limited to those techniques that can be immediately assimilated and used.

There are three main roles in a quality circle programme: the co-ordinator, the facilitator and the circle leader. This structure and role definition appealed to the Chinese managers. While the sponsor of a quality circle programme—the ‘champion’ who introduces it into the company because he believes in the idea and is prepared to promote it—can come from anywhere in the organization, the co-ordinator who volunteers to administer the programme should be a senior manager who is well-respected in the company and who is at the centre of the business. He should normally be a line manager rather than someone with a staff function. In a warehousing operation, he might be the traffic manager; in an engineering works he could be the production manager; in a retail operation he could be the marketing manager. His role includes the following activities:

- being a focal point;
- administrating the programme;
- dealing with communications;
- planning the future—making decisions about the programme;
- upholding the core principles.

The facilitator tends to be a middle manager and can either come from the line or staff side of the business. The role includes the following activities:

- making group self-sufficient
 - training
 - development
- having a ‘process’ focus, not a ‘task’ focus
- developing leaders
 - confidence
 - competence

- making it easy for others to
 - understand
 - support
 - ‘buy in’
- oiling the wheels of the programme.

The quality circle leader’s role encompasses the following activities:

- trainer of quality circle members;
- helps members feel comfortable in the meeting situation;
- ensures that there is no elitism among quality circle members and that they stay in touch with the work group;
- ensures that quality circles keep a problem-solving focus and stick to problems in the work group;
- makes it easy for others to co-operate with or join the quality circle.

The theory behind quality circles goes back over twenty-five years to Douglas McGregor’s seminal book, *The Human Side of Enterprise* (1960), and his enunciation of Theory X and Theory Y. Theory Y has been adopted as the theory underpinning quality circles, first by the Japanese and then by others. It is, in fact, true that quality circle members find their work in problem-solving activities a natural outgrowth of their job interest. Their motivation is intrinsic and their appetite for responsibility can be impressive to managers accustomed to mere compliance with directives. They also demonstrate a great capacity to solve organizational problems.

IBM, with marketing operations in both Hong Kong and Beijing, is committed to quality circles at the corporate level and has had effective programmes world-wide since 1979. American research from IBM lists the benefits of a quality circle programme as:

- enhanced skill utilization;
- more effective communication;
- increased commitment to unit goals;
- team building;
- process understanding, and
- a greater acceptance of change.

In their own internal research, IBM USA found that the morale index, which included how employees rated the company, their managers, their salary and overall satisfaction, was 16 per cent more positive where they had quality circles than where they had no circles (76–60 per cent). Performance indicators, which include departmental innovation and efficiency and a commitment to producing high quality and understanding management’s quality efforts, showed a similar spread. Where there were quality circles employees showed a 20 per cent higher positive rating than where there were no circles (66–46 per cent). On the topic of communications, which encompassed information from management, adequate information to do one’s job,

being kept well-informed by managers, the spread was again 17 per cent (53 per cent positive to 41 per cent positive).

In practical matters such as rework, IBM found that where there were quality circles the rework was 8.2 per cent, but where there were no circles it shot up to 12.9 per cent. On absenteeism, employees in departments that had quality circles showed a marked decrease (four times less)—0.447 hours per employee per month as against 1.99 hours per employee where there were no quality circles. The strength of this data lies in the fact that it was generated purely for internal purposes to see if quality circles were having an impact on the organization.

A major thrust of quality circles is their concern for data collection. Quality circle solutions to problems are based on fact and therefore involve thorough data collection. The factual nature of the circle's inquiry attempts to steer it clear of opinion and organizational politics. My usual classroom example for making a distinction between fact and opinion is to ask who is the greatest athlete of all time—eventually saying that there is no factual answer to the question, just opinion, however strongly held. In the West the names of Olympic athletes such as Jesse Owen or Carl Lewis are thrown up by the classes. The Chinese proffered gymnast Li Ning, who gained six medals in the 23rd Olympic Games at Los Angeles. In general, the Chinese managers lacked the general knowledge base taken for granted with a management audience.

We English-speaking lecturers are accustomed to scrawling on blackboards and flip-charts. We are amazed by the Chinese love of calligraphy. Words on a flip-chart are written in beautiful handwriting by a person who commands high esteem for this display of skill. Since the writing is pictorial, there are sometimes discussions among the students as to the appropriate Chinese character for the concept—a real concern for accuracy. Coloured chalk was used on blackboards in a decorative and ordered way that combined ascetic beauty with a need for structure. The sense of and need for order carried through to the structuring of lectures and the organizing of training materials. An almost military sense of order surfaced each morning at 10.00 a.m. as the management classes got together for a vigorous period of physical exercise. The love of order is built into the system. The Chinese set their programmes and dislike any changes in the timing of a seminar, its location or any of its features. There is a complicated negotiating process when the Chinese design their schedules (Terry, 1984).

Western zeal for bringing management techniques and technology to China should be tempered by awareness of a historical perspective. After all, the Chinese were ahead of Europeans in inventing the wheelbarrow by ten centuries, the crossbow by thirteen centuries, draught-animal harnesses by eight centuries, cast iron by twelve centuries, porcelain by thirteen centuries and mechanical clocks by six centuries (Needham, 1978). Mass production of iron axe blades, plough tips, belt buckles, and axle fittings by the stack-casting method still used today for precision parts such as gears, for

example, took place in China as early as 800BC. A foundry excavated at Wenxian in Henan province, in the 1970s, held 500 sets of multiple moulds, many still usable, sixteen different designs each in thirty-six sizes from which could be made as many as eighty-four units per mould. Applied to the mass production of parts for farming equipment, it led to a vast increase in food production—and thus in population.

Long-term aid projects against this industrial background seemed inappropriate, demeaning and even useless. The temporary need the Chinese experience for inputs of management science such as quality circles and new technology from the West should be seen as simply that, a temporary need. The inborn sense of history a Chinese person possesses and cultivates throughout his life helps put such a transitory need in perspective. It is a serious mistake for a lecturer from the West to consider China a developing country in anything but income.

Chinese hosts, proud of their history, are keen to show lecturers from the West monuments of their remarkable past. On National Day my colleague Stan Cordell and I jetted 600 miles south-west of Beijing to the ancient capital of Xian, in Shaanxi province, to see the tomb of Emperor Shi Huang Di of the Qin Dynasty. When he died in 210 BC in Qi Yong, the Emperor had a terracotta army—about eight thousand life-size clay statues—buried with him. Rank upon rank of soldiers in battle formation, together with their horses, emerge from the excavation of the tomb. The management task of bringing master craftsmen from across China to create the terracotta army rivals the fierce beauty of the artefacts. The Emperor himself is considered to have been one of the greatest managers of all time for his effective use of central bureaucracy in uniting China 2,200 years ago (Fukuda, 1986).

From the sixth century until the first year of the twentieth century, the vast bureaucracy that ruled China drew its manpower from competitive, civil servant exams that tested a candidate's comprehensive knowledge of Confucian writings. This sprawling system of education was replaced by European models. Today formal schooling consists of six years of primary school and six years of middle school. For the very gifted (and lucky) students there is a four- or five-year university programme; but only 3 per cent of China's university-aged population attends an institution of higher learning. Since the early 1980s over a million university students have been at work trying to catch up on China's lost decade (1966–76) of the Cultural Revolution when intellectuals were considered the 'stinking ninth category' of citizens and many, including lecturers I worked with in Beijing, were sent to work on pig farms. Intellectuals and university people who spent years as peasant farmers as a way of expiating their 'guilt' for being pro-Western during the Cultural Revolution are now the men and women of the moment in China. The talents and abilities which a decade ago won them condemnation are now used to help create the new open China.

The Cultural Revolution is estimated to have ruined the lives of a hundred million Chinese with its fanaticism. (One autobiographical account of coming

to manhood during that decade, *'Son of the Revolution'* by Liang Heng and Judith Shapiro (1983), portrays the destructiveness of the event for Liang's own family.) Both the Cultural Revolution and the equally discredited 'Great Leap Forward', which attempted to merge China's agricultural co-operatives into large people's communes, plunged the nation into the economic chaos from which it is only now struggling to extricate itself. As oppressive as these two campaigns may have been for millions, the Chinese are not an oppressed people in the Third World sense of oppression. The iron bowl is a symbol of equality. (Seeing the driver of our car take his place around a common table with heads of universities, top politicians and foreign guests was a lesson in egalitarianism not lost on two lecturers from a snobbish class-ridden culture.) The emergence of Deng Xiaoping and his strategy of installing younger minds in positions of power, while opening up the country to the West, is being carefully watched by China's 650 million people under 30 years of age. Most are looking for educational opportunities, some basic freedoms and a quality of life that has eluded many of their parents.

Paulo Freire, the Brazilian educationalist, in his book, *'Pedagogy of the Oppressed'* (1972), draws a powerful distinction between liberating education or problem-posing education and the traditional 'banking concept'. The 'banking concept' of education is focused on a two-stage action of the educator. First he prepares his lecture in his study or office or laboratory by thinking about the knowable object of his lesson. Then he expounds his knowledge to the students, expecting them not to know but to memorize the content of his lecture. In fact, the students do not practise any act of cognition, since the object towards which that act should be directed is the property of the teacher rather than a medium evoking the critical reflection of both teacher and students. 'Hence in the name of "preservation of culture and knowledge" we have a system which achieves neither true knowledge nor true culture', Freire concludes. By contrast, liberating education is not interested in the transfer of information but in acts of cognition. It promotes a learning situation, a dialogue between teacher and students in which they are joint owners of a process in which they both grow. 'Problem-posing education bases itself on creativity', says Freire, 'and stimulates true reflection and action upon reality, thereby responding to the vocation of men who are authentic only when engaged in inquiry and creative transformation'.

Anyone who visits China is a witness to the massive, creative transformation that is under way. An academic visitor, while working in the country, has a tremendous opportunity to make his contribution but must not fail to see the overall pattern that teachers and students are weaving in the carpet.

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in ACTION



**Edited by
Mike Robson**

ownership of their problems, and regular, fixed meeting times.

Since the Circles are based on the natural workgroup, it is quite understandable that normally frontline supervisors are the Circle leaders. These Circle leaders, the members, and the facilitators all need special training in problem solving techniques and working together in groups. Training should be a permanent feature, with additional inputs being provided progressively as the groups develop their skills in diagnosis and analysis.

The training that the facilitators receive should include some advice on 'letting go' of the Circle. Their goal is to get the Circles to a stage of self-sufficiency. They must be willing to step back and let the group go on its own way using the training it has been given.

This is often more difficult to do than it appears, but it is vital for the success of the group itself and the programme overall. If it does not happen there is a danger that the ownership of the group transfers from the members to the facilitator, or – a more serious one – that the facilitator becomes a surrogate line manager. As a rule of thumb, the facilitator should be able to start withdrawing from the average group after three to six months, and should more or less be clear of the group after six to nine months. If it takes longer than this, it does not necessarily mean that too much dependency is being built in, but it will certainly be worth asking the question.

Preparing for an £11.5 million expansion, while many other manufacturing firms in the Midlands were contracting, put Alcan Metal in an enviable position in the spring of 1981. It seemed a very good time to launch Quality Circles.

Background

ALCAN is the short name for Alcan Aluminium Limited of Canada, a multinational based in Montreal, whose main business is aluminium, from the mining of ore to the production and sale of numerous finished products. It has gross assets of over US\$6.4 billion. Alcan Aluminium (UK) employs about 7,000 people in Britain and operates

Suspending Quality Circles: Alcan Plate

John Bank

Quality Circles at Alcan are suspended at the time of writing. Management at the plant speaks of the programme as having been a 'qualified success', and members of the suspended QCs are keen to restart them. There is considerable positive feeling about the experience. The company has enjoyed both tangible benefits from Circles and a boost in morale during difficult times. Circle members have had the satisfaction of sorting out some of their problems and have tasted a few remarkable successes. There is energy to get Quality Circles going again.

Even in other companies where Quality Circle programmes seem to be outright failures, evidence shows that the majority of the people involved are willing to try again. In a study by B. Dale and S. Hayward, 76 per cent of the companies proposed to revive failed Circles. The main causes of failure revealed in the study were:

- rejection of the concept by top management and trade unions;
- the disruption caused by redundancies and company restructuring, labour turnover, lack of co-operation from middle and frontline managers and failure by Circle leaders to find enough time to organise meetings.

Companies that restart suspended Quality Circles often must get back to basics. Quality Circles are in fact quite simple, but there are key principles that are neglected at one's peril. These principles include the use of frontline supervisors as leaders, training of facilitators, Circle leaders and members, self-sufficiency of Circles,

QUALITY CIRCLES AT WORK

one of the only two major aluminium smelters left in the United Kingdom.

Alcan Plate Limited's works and offices are in Kitts Green (Birmingham). It now employs about 700 people, who are engaged in the manufacture and sales of plate products and the rolling of special sheet products. At the time of the Quality Circle launch the workforce numbered 1,000.

Production of aluminium has continued at Alcan Plate since 1938, when the company operated the plant to meet the needs of aircraft production during World War II. Throughout the years, the works has been continually modernised and the company has invested many millions of pounds in major plant and equipment since the late 1950s and early 1960s. Alcan Plate is the only source of aluminium plate in Britain and one of three large plants in Europe.

The works receives aluminium ingot and coil from other companies and converts this into a variety of semi-finished products by rolling and other methods. In recent years the company has been associated with, and supplied the metal for, a number of prestige products.

Almost all the major British aircraft – including the Anglo-French Concorde – have incorporated Alcan metal in their structure. The company currently provides material for the Trident, European Airbus, RAF Nimrod, the multi-role combat aircraft Tornado, the Jaguar and the Harrier, as well as many others. The Scorpion aluminium tank uses plate from Alcan. The European spacelab also required Alcan's aluminium plate.

A wide variety of high-technology plate produced by Alcan is also utilised in the shipbuilding industries. Ironically, Alcan aluminium plate was used both in HMS *Coventry* and HMS *Sheffield* and in the Exocet missiles that sank both ships during the Falklands war. Alcan produces coated strip aluminium for engineering markets and for cladding mobile homes and for use as architectural building sheets. For the domestic market,

SUSPENDING QUALITY CIRCLES: ALCAN PLATE

Alcan supplies circles from which saucepans and kettles can be pressed and spun. This domestic side of the business and the market for coated strip aluminium was very depressed in the spring of 1981. The backbone of Alcan Plate – the military and aircraft market – was buoyant but becoming more fiercely competitive.

Convergences

The thrust to set up Quality Circles came from two separate sources. On the technical side, both Graham Johnson, Quality Supervisor, and his immediate superior, Brian Simons, Quality Manager, had read about Quality Circles and Johnson attended a half-day conference about them. They were keen to start pilot Circles.

Quite independently, Colin Siddle, Training Manager, and David Gregson, Personnel Manager, had initiated a training intervention for middle managers which dealt primarily with superintendents. The management development programme was undertaken in parallel with the extensive investment programme coming on stream. One of the concerns of senior management on site was to ensure that managers at all levels operated fully and consistently with their positions. It was observed that managers tended to drift to tasks and roles below their levels. A modular course was designed at the Cranfield School of Management to re-focus the superintendents and to counter the downward drift of managerial activity. Projects undertaken at the plant were linked to the learning modules at the business school. One of these projects was for the superintendents to help Graham Johnson launch a pilot programme of Quality Circles.

The decision to launch the Quality Circles was taken at Board level just before Easter in 1981. Early in April, the superintendents attended a five-day management development module at Cranfield. Quality Circles was one of the topics discussed. At the end of the module the men selected the introduction of Quality Circles at Alcan

Plate as their project to be effected between 9 April and their next module at Cranfield on 20 September. My role was to design the academic inputs at Cranfield and to supervise the on-site project work which was intended to give practical expression to the formal learning. The Quality Circles project seemed a perfect choice, as it encompassed many ideas of effective employee participation and good industrial relations.

By late June the preparation for the launch of Quality Circles was well under way. The superintendents working with Graham Johnson had selected a strategy for introducing the concept of Quality Circles. They used the 'portakabin' communication centre, affectionately called 'the Wendy House', to reach the workforce in small groups with a showing of a film on Quality Circles from British Leyland. No outside Quality Circle consultancies were employed. No formal training in Quality Circles was given to either foreman or Circle members. The company was intent on growing its own Circles using only its own resources, and this later proved to be a weakness in the programme.

Avoiding a crisis

Although it is desirable to 'grow your own' Quality Circles, there are certain core principles that emerge from the data on successful Circles programmes, for example, voluntariness and the *training* of Circle members, which are ignored at a company's peril. Alcan kept the programme voluntary, but the superintendents were on the verge of violating several other key principles.

Towards the end of June, on a visit to the works, I saw the superintendents' action plan for implementing the first two pilot Quality Circles. It contained errors about which I had to confront the men.

In retrospect, it had been quite naive of me to expect that they would absorb the various readings and lectures I had given them on Quality Circles and extracted for

themselves the principles needed for an effective launch. They had no expert input, nor had they been to visit Quality Circles in other companies. Not surprisingly, the plan the superintendents showed me contained three fundamental errors.

- 1 They wanted to hand down the initial problems for the Circles to solve, rather than let the Circles select the problems themselves. This would affect the 'ownership' of the problems. It also affected the level of trust in the Circle members, particularly when linked with the desire of superintendents to attend Circle meetings happening on their 'patch'.
- 2 They had decided to give some 'chairmanship' training to the foreman, and no Quality Circles training to the foreman or to Circle members.
- 3 They were over-reacting to an initial rebuff from the craft trade unions.

The trade union issue was by far the most immediate. At short notice, the superintendents had invited six representatives from the craft trade unions to an introductory session on Quality Circles at the plant communications centre. The short session was to consist of the showing of a film on Quality Circle introduction at British Leyland.

The initial response of the trade unionists to the face-to-face invitations was positive. They all said they would be there. But at the appointed time, not one trade union leader came. At first the superintendents' response was emotional. 'Well, they've had their bite of the cherry', one of them said, 'they'll not get another. We'll do it without them.' Fortunately, cooler heads prevailed and the trade union representatives were approached again.

It should not be surprising that trade unions are guarded and suspicious about Quality Circles. In 1981, few unions had policy statements about Quality Circles. The only document from the IUC appeared on 29 April

QUALITY CIRCLES AT WORK

1981. That three-page document simply summarises the development of Quality Circles and their main features as a management technique. It offers some reasons for management interest in the technique and then gives a trade union response.

Searching for the motivation of companies in installing Quality Circles, the TUC paper says:

Two factors are of prime importance in explaining why so many UK employers are experimenting with QCs. In the context of a general loss of competitiveness of their products, many UK employers have identified quality as a major problem, especially where an increasing market share is being taken by Japanese competitors. Attention has not surprisingly turned to Japanese quality control methods, and hence to QCs. The presence of automotive and electronic components manufacturers among leading UK pioneers of QCs reflects this. Secondly, facing declining profitability and a need to cut costs, some employers have seen QCs as an area where significant savings can be made.

QCs have the additional attraction that they involve the workforce in remedying these problems. They can thus be presented as a form of 'participation' – in answer to critics of British employers' autocratic style of management – while leaving managerial authority intact. For example, QCs' tight focus on quality problems alone makes them significantly less of a threat to 'management's right to manage' than established joint consultation systems on trade union machinery.

The TUC goes on to make a rather insightful comment.

Trade unions have been urging employers for decades to give workers more control over the jobs they do. QCs are a belated recognition of

SUSPENDING QUALITY CIRCLES: ALCAN PLATE

employees' expertise and knowledge and the need to put them to use. At the same time, trade unionists may be understandably sceptical about the merits of the latest in a succession of 'vogue' management techniques.

The document concludes with the caveats that QCs should not undermine existing trade union procedures or working methods, or be used to bypass existing trade union machinery, but that management should not keep all the benefits of QCs to itself either.

Industrial relations at Alcan Plate were running smoothly in 1981. The main unions on site were the Transport and General Workers Union (T & GWU) with two-fifths of the blue-collar workforce, and the balance divided among the Amalgamated Union of Engineering Workers (AUEW), the Electrical, Electronic, Telecommunications and Plumbing Union (EETPU) and the National Union of Sheet Metal Workers, Copper-Smiths, Heating and Domestic Engineers (NUSMWH & DE). Staff belonged to the Association of Scientific, Technical, Managerial and Supervisory Staffs (ASTMS) or the Association of Clerical, Technical and Supervisory Staffs (ACTSS).

The introduction of continuous shiftworking (the continental shift) had earlier met trade union opposition, but management had prevailed without building up a legacy of hostility. A renegotiation of the bonus system in the winter of 1981 to bring it into line with the company's profits rather than tonnage of production went surprisingly well. The main union involved in the Quality Circle installation was the T & GWU.

Start-up

The two pilot Quality Circles were begun in the plate finishing department and in the paint line section in late August. Because Alcan Plate works a continuous shift system, the meetings were held every twelve days at the

start of the day shift for the Circle members.

Ken Smith, general foreman in the plate finishing department, became the first QC leader. He summed up the launch. 'Initial reactions were the same as in the past: "Well, it's another meeting and it will die a death." We got volunteers which included the shop steward who came to only one meeting but continued to give his support.' The QC in the Plate Finishing Department decided, as its first problem, to improve the surface quality of magnesium (non-heat-treatable) plate. Alcan had a bad reputation for surface quality in the marketplace for customers looking for scratch-free, decorative finish on magnesium plate. The company's plate tended to be pitted and scratched, which was alright for machining or forming, but unsatisfactory if the customer planned to leave it as it came from the factory.

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The second pilot Quality Circle was started in the paint line with K. Rider as leader. Its first project was to improve the Tannoy system to effect speedier line communications. This proved to be an important project because a five-minute delay can cost up to 400 kg of scrap. During its first meeting the Circle also decided to improve on line viewing facilities which helped to spot paint defects.

Two further Circles were started – another in Plate Finishing and one in the Foundry. The Foundry Circle had the most dramatic first project, which registered savings of £15,000 per year.

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During the melting process the dross rises to the top and is dragged off with rakes. Alcan Plate used to pay an outside firm to take away the dross, reclaim good aluminium metal and then sell the metal back to Alcan. The Quality Circle in the Foundry took on this problem of melt loss, solved it, and was able to dispense with the services of the outside firm. The Circle then began to

look at ways of improving draining and preserving spillage scrap as a usable commodity. The suggestions they came up with and implemented included:

- 1 Designing small dross pans with holes to drain holder dross after fixing it with a flux. (The flux makes the dross cling to it, and when the flux is raked into an atmosphere with more oxygen it flares up again, releasing the aluminium.)
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- 4 New procedures for charging pellets.

The use of the small dross pans alone is saving about 28 kg of metal every time a furnace is charged. This is worth over £15,000 per annum.

Fighting for survival

Despite the initial success, circumstances at Alcan Plate conspired against QCs. There were the problems of installing the new furnace and computer systems. Furthermore, a sharp downturn in the market forced about 300 redundancies on the already small workforce. ('The way the market has gone, the metal you can sell is the hardest to produce and has the lowest revenue return', Graham Johnson said.) The redundancies took away the attention of management which was necessary for Quality Circles to thrive. As Graham Johnson explained in the autumn of 1983, 'When you go through a large redundancy programme you tend not to adjust immediately. You don't gear down straight away, you try to carry on providing the information and services you did before. We now must learn to adjust. During the last nine months we've not had time for Circles so they've been suspended. But we are now planning a relaunch. We want one in each department on each shift.' The

excessive dependency of the Circle on the two managers, Graham Johnson and Ken Smith, meant they could not operate without the men in attendance.

Circle members at Alcan were keen to get under way again after the nine-month suspension. They kept coming to Graham Johnson and Ken Smith to ask when the next meeting would be. They also kept approaching management with their ideas.

The relaunch of Quality Circles at Alcan Plate will benefit from hindsight. Circle leaders and members will have basic training in problem solving. The Circle leaders will be, not the general foremen, but the front-line foremen. They will also be developed with less dependency on higher management being involved in the running of the meetings. The aim will be for greater Quality Circle competence through training and more operational autonomy.

Success critique

Graham Johnson, Ken Smith and the superintendents do not consider the Quality Circle programme at Alcan Plate a failure. It is rather a 'qualified success'. They hope to adjust their ideas on Quality Circles a little, drawing on their two years' experience with them.

Studies of QC programmes in the USA and Canada suggest that there are five common reasons for failure.

1 Not preparing the organisation for change

The transition from an autocratic management style to a participative one is far-ranging. It requires changes in attitude and behaviour from the top to the bottom of the organisation. Unless a company is willing to fit Quality Circles into a framework of genuine employee participation and involvement, chances of success are slim.

Particular attention must be paid to supervisors and middle managers, who may see the introduction of Quality Circles as a threat to their power and authority. Actually in genuine participation programmes no one

silent majority may be neglected as a Circle goes for a quick success. Good Circle leaders and facilitators should help Circles select problems according to definite criteria. For example, a six-question checklist might be used.

- (i) Is it a problem we can solve?
- (ii) Can we solve it in a reasonable time (2–3 months)?
- (iii) Will it help our QC training?
- (iv) Can we collect data about the problem?
- (v) Is the solution cost-effective?
- (vi) Do we really want to do it?

5 *Not integrating all communication levels*
Four interconnected levels of communication exist in organisations.

- (i) Organisation to outside environment.
- (ii) Group to group.
- (iii) Individual to group.
- (iv) Individual to individual.

QC programmes often focus on the individual-to-group relationship and, if not careful, can become a closed club. Efforts must be made to keep all lines of communication open. Simple gestures like the posting of minutes and the sending of minutes to other managers and to trade union representatives are important. The organisation should be viewed as an interconnected system, with Quality Circles fully integrated into the system, for the Circles to be most effective.

Ed Kowaleski of the Ford Motor Company (USA) summed up the 4½-year experience of Quality Circles at Ford's in San Francisco, saying it took eighteen months to get results. The pay-off of the programme came in attitude change away from 'them and us' to more positive co-operation and participation. A similar attitudinal change

loses power. There is a power-rise for everyone in the system as communications improve up and down the organisation, problems are solved at appropriate levels and shared decision-making becomes the normal way of doing things. Quality Circles then become a vital part of the new form of employee involvement.

2 *Isolated problem solving*
Circles can fail if their problem-solving focus fails to take account of knock-on effects and interface problems. Unless a QC holds fast to the principles of 'putting our own house in order' and 'no finger pointing', it may tackle a problem that is not particular to its area and therefore not solvable by its members.

Sometimes a solution decided on by one QC could have an adverse effect on another department, a knock-on effect – that is negative for the company. It would be especially abrasive if one workgroup were to be applauded for a QC success which adversely affected another group. Hence the crucial role of the QC facilitator in anticipating interface problems.

3 *Poor diagnosis*
Superficial work by Quality Circles could focus on symptoms rather than root causes of problems. What may appear to be a communications problem in an office environment may actually be a role clarification problem. Were a QC to recommend communications training to deal with the problem instead of a clarification of roles and job standards, it would be wide of the mark. Many organisational problems must be examined from a systems or structural point of view rather than at work-group level.

4 *Undisciplined priority selection*
QC groups often fall into the 'squeaky wheel trap' and deal first with problems raised by the most vocal employees or managers. Quieter problems affecting the

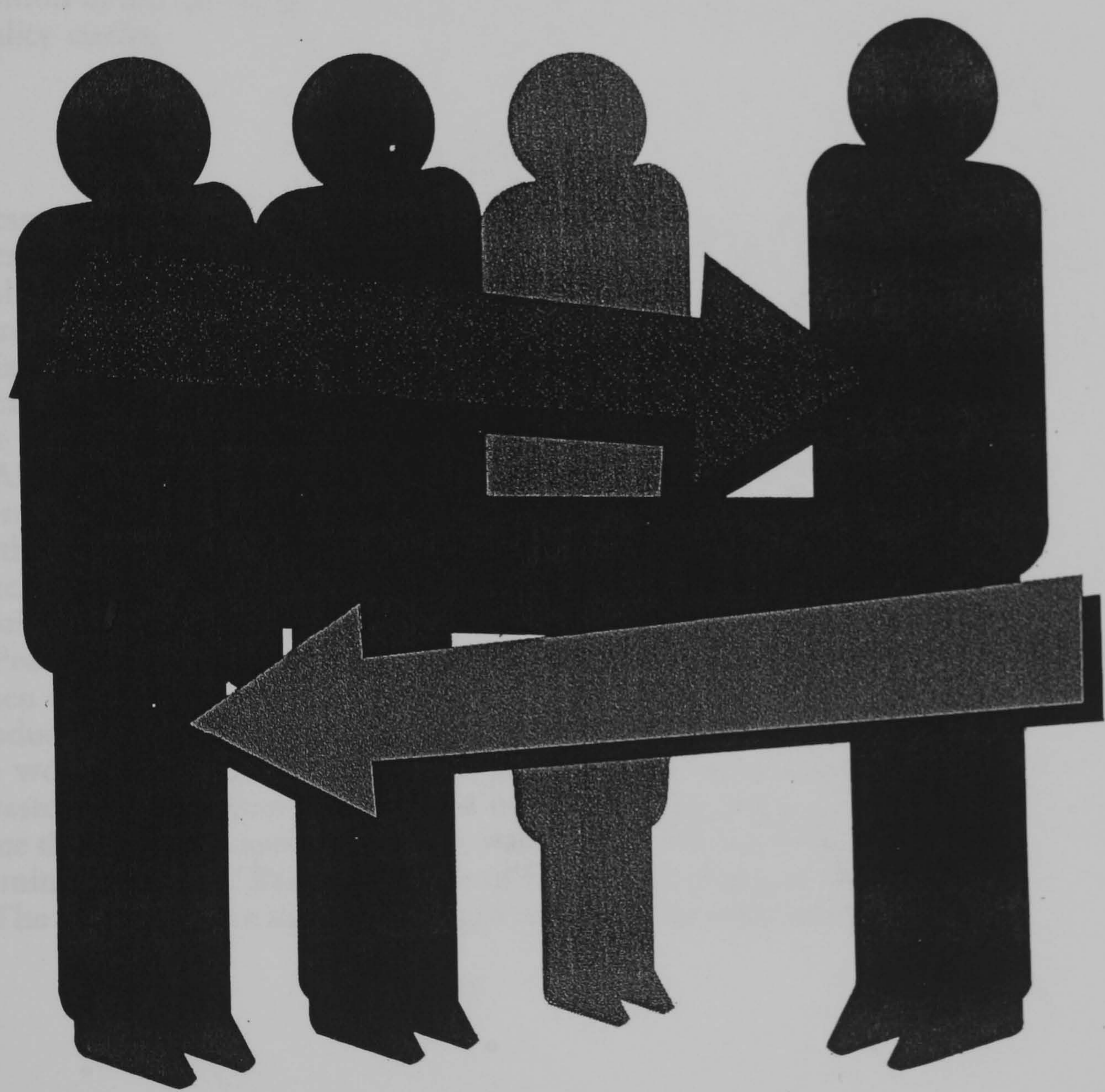
QUALITY CIRCLES AT WORK

brought on by Quality Circles came from the Alcan experience. In fact, Graham Johnson sees this as the primary achievement – to date – of Alcan Plate's QC programme. 'A Quality Circle', he said, 'is a tool with which I can get some help in changing people's attitudes. Even though we've stopped having meetings we've had employees saying "When's the next Circle meeting because I've got this idea?" . . . We've not had a meeting in over six months and they still flag problems and want to get going again. It's been almost a revolution and it had to happen or otherwise we'd have gone under. Now their attitude is amazingly positive and we cannot let Quality Circles drop.'



CASES — IN — HUMAN RESOURCE MANAGEMENT

Edited by
Shaun Tyson and Andrew P. Kakabadse



TWENTY-SEVEN

*Suspending quality circles:
Alcan Plate Limited*

JOHN BANK

Preparing for a £11.5 million expansion, while many other firms in the Midlands were contracting, put Alcan Metal in an enviable position in the spring of 1981. It seemed a very good time to launch quality circles.

Background

Alcan Plate Limited is a subsidiary of British Alcan Aluminium. Alcan is the short name for Alcan Aluminium Limited of Canada, a multinational based in Montreal, whose main business is aluminium, from the mining of ore to the production and sales of numerous finished products. It has gross assets of over \$US6.4 billion. British Alcan Aluminium employs over 7000 people in Britain and operates one of the only two major aluminium smelters left in the UK.

Alcan Plate Limited's works and offices are in Kitts Green (Birmingham). It now employs about 700 people, who are engaged in the manufacture and sales of plate products and the rolling of special sheet products. At the time of the quality circle launch the workforce numbered 1000.

Production of aluminium has continued at Alcan Plate since 1938, when the company operated the plant to meet the needs of aircraft production during the Second World War. Throughout the years, the works have been continually modernized and the company has invested many millions of pounds in major plant and equipment since the late 1950s and early 1960s. Alcan Plate is the only source of aluminium plate in Britain and one of three large plants in Europe.

The works receive aluminium ingot and coil from other companies

and convert this into a variety of semi-finished products by rolling and other methods. In recent years the company has been associated with, and supplied the metal for, a number of prestige products.

Almost all the major British aircraft – including the Anglo-French Concorde – have incorporated Alcan metal in their structure. The company currently provides material for the Trident, European Airbus, RAF Nimrod, the multirole combat aircraft Tornado, the Jaguar and the Harrier, as well as many others. The Scorpion aluminium tank uses plate from Alcan. The European spacelab also required Alcan's aluminium plate.

A wide variety of high-technology plate produced by Alcan is also utilized in the shipbuilding industries. Ironically, Alcan aluminium plate was used both in HMS *Coventry* and HMS *Sheffield* and in the Exocet missiles that sank both ships during the Falklands war. Alcan produces coated strip aluminium for engineering markets and for cladding mobile homes and for use as architectural building sheets. For the domestic market, Alcan supplies circles from which saucepans and kettles can be pressed and spun. This domestic side of the business and the market for coated strip aluminium was very depressed in the spring of 1981. The backbone of Alcan Plate, the military and aircraft market, was buoyant but becoming more fiercely competitive.

Convergences

The thrust to set up quality circles came from two separate sources. On the technical side, both Graham Johnson, quality supervisor, and his immediate superior, Brian Simons, quality manager, had read about quality circles and Johnson attended a half-day conference about them. They were keen to start pilot circles.

Quite independently, Colin Siddle, training-manager, and David Gregson, personnel manager, had initiated a training intervention for middle managers which dealt primarily with superintendents. The management development programme was undertaken in parallel with the extensive investment programme coming on stream. One of the concerns of senior management on site was to ensure that managers at all levels operated fully and consistently with their positions. It was observed that managers tended to drift to tasks and roles below their levels. A modular course was designed at the Cranfield School of Management to re-focus the superintendents and to counter the downward drift of managerial activity. Projects undertaken at the plant were linked to the learning modules at the

business school. One of these projects was for the superintendents to help Graham Johnson launch a pilot programme of quality circles. The decision to launch the quality circles was taken at board level just before Easter in 1981. Early in April, the superintendents attended a five-day management development module at Cranfield. Quality circles was one of the topics discussed. At the end of the module the men selected the introduction of quality circles at Alcan Plate as their project to be effected between 9th April and their next module at Cranfield on 20th September. The quality circles project seemed a perfect choice, as it encompassed many ideas of effective employee participation and good industrial relations.

By late June the preparation for the launch of quality circles was well under way. The superintendents working with Graham Johnson had selected a strategy for introducing the concept of quality circles. They used the 'portakabin' communication centre, affectionately called 'the Wendy House' to reach the workforce in small groups with a showing of a film on quality circles from British Leyland. No outside quality circle consultancies were employed. No formal training in quality circles was given to either foreman or circle members. The company was intent on growing its own circles using only its own resources, and this later proved to be a weakness in the programme.

Avoiding a crisis

Although it is desirable to 'grow your own' quality circles, there are certain core principles that emerge from the data on successful circles programmes, for example, voluntariness and the *training* of circle members, which are ignored at a company's peril. Alcan kept the programme voluntary, but the superintendents were on the verge of violating several other key principles.

The superintendents had no expert input, nor had they been to visit quality circles in other companies. Not surprisingly, the plan the superintendents produced contained three fundamental errors.

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foreman, and *no* quality circles training to the foreman or to circle members.

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The trade union issue was by far the most immediate. At short notice, the superintendents had invited six representatives from the craft trade unions to an introductory session on quality circles at the plant communications centre. The short session was to consist of the showing of a film on quality circle introduction at British Leyland. The initial response of the trade unionists to the face-to-face invitations was positive. They all said they would be there. But at the appointed time, not one trade union leader came. 'Well, they've had their bite of the cherry,' one superintendent said, 'they'll not get another. We'll do it without them.' Fortunately, cooler heads prevailed and the trade union representatives were approached again.

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Start-up

The two pilot quality circles were begun in the Plate Finishing Department and in the paint line section in late August. Because Alcan Plate works a continuous shift system, the meetings were held every twelve days at the start of the day shift for the circle members.

Ken Smith, general foreman in the Plate Finishing Department, became the first QC leader. He summed up the launch. 'Initial reactions were the same as in the past: "Well it's another meeting and

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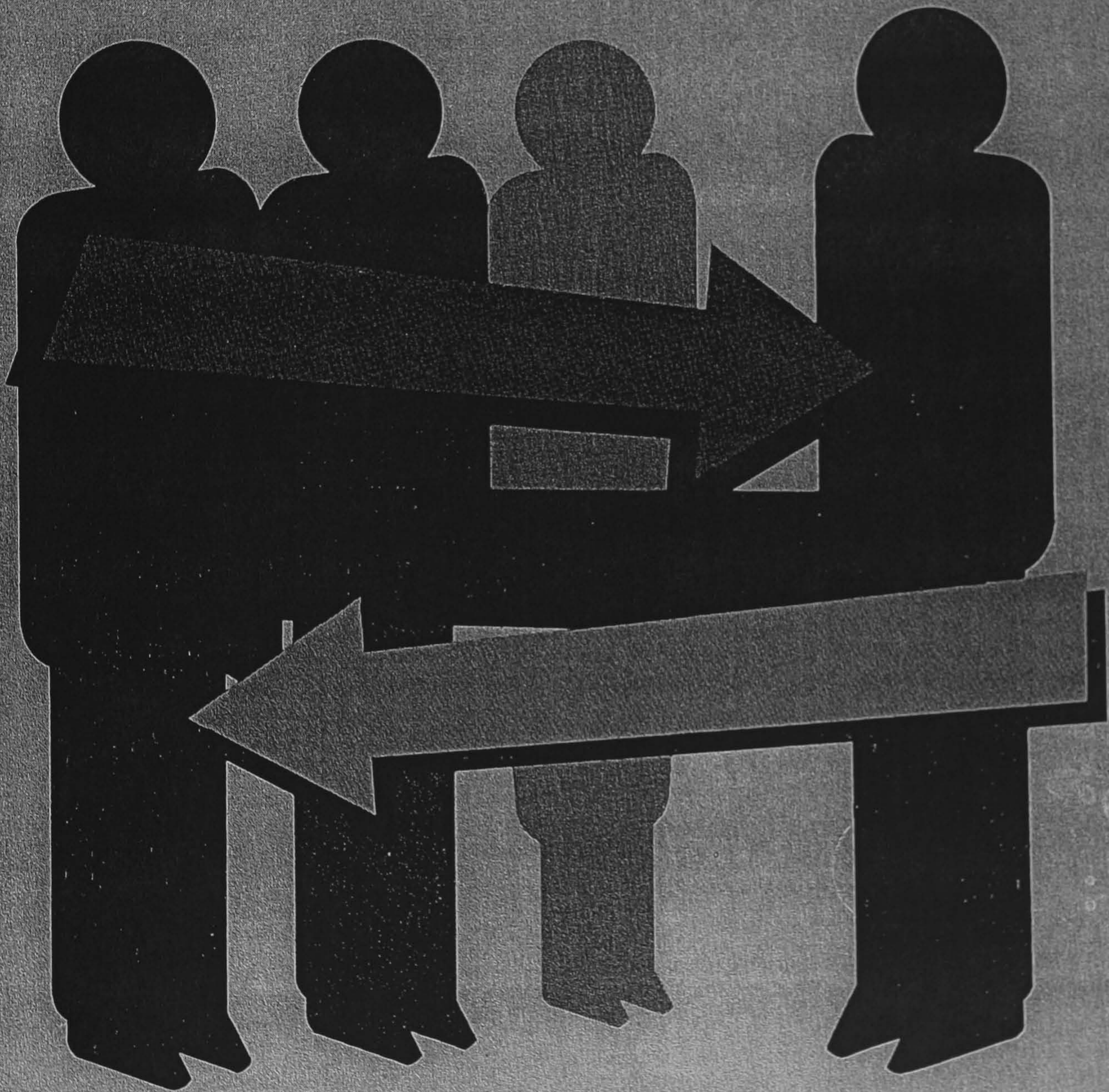
Questions

- 1 Should Alcan re-instate quality circles? Provide reasons for your answer.
- 2 If you consider that quality circles should be re-instated in Alcan how should they be structured so as to function effectively?
- 3 What are the advantages of introducing quality circles into an organization?
- 4 Identify the possible reasons for quality circles failure in an organization.

CASES
IN
HUMAN RESOURCE
MANAGEMENT

TEACHERS' CASE GUIDE

Edited by
Shaun Tyson and Andrew P. Kakabadse



*Suspending quality circles:
Alcan Plate Limited*

JOHN BANK

Introduction

Quality circles exist in companies in over thirty-five different countries worldwide. Alcan Plate examines the launch of a quality circle programme in an aluminium plate company near Birmingham. It illuminates critical case principles in quality circle programmes.

By providing a negative model of a quality circle launch, the case encourages readers to beware of simplistic notions of starting up a quality circles programme without proper planning. Although the idea itself is quite simple, quality circles can be a profound and rewarding management intervention in the area of employee involvement. But the quality circles programme needs commitment from the board, top management, middle management and trade unions, as well as support from the base of the company to succeed.

Before beginning the case the management student should do some background reading on the history and development of quality circles from their birth in Japan in 1962 to the present. The reading should also include something about the core principles, such as voluntary membership and ownership, and the basic organization and structure of a quality circles programme.

A coordinator or steering committee of top managers, a corpus of middle managers as facilitators and the frontline supervisors as quality circle leaders are needed for a well structured programme.

A positive focus for the case can be developed by simply asking management students to draw up a detailed plan for *relaunching* the quality circle programme at Alcan Plate. To do so would require some basic knowledge of quality circle theory and practice.

Theory and background

The quality circles concept is a universal one with millions of people involved all over the world. Although quality circles first developed in Japan during the early 1960s, the approach is based on Western theories of management, notably Douglas McGregor's Theory Y (1960).

If properly introduced, quality circles represents part of a coherent managerial philosophy. It is not a stand-alone concept. It forms one aspect of employee involvement. Quality circles are an approach which allows employees to become more involved in the workings of their section or department by solving their own job-related problems in an organized way.

First, quality circles is an approach which allows people to get more involved, but puts no pressure on them to do so, in other words the approach is entirely voluntary at all levels of the organization. This principle of voluntariness is crucial to the success of quality circles. It is, however, not an easy thing to introduce and to manage, since it is such an unusual notion. In the working life of most employees one rather suspects that nothing is really voluntary, and yet quality circles *are*, but it takes more than a mere statement to make the principle a reality.

The second distinctive feature of the quality circles approach is that the people who join in are encouraged to solve their own job-related problems. When asked to state what problems affect them at work, most people tend to point to difficulties caused by other sections, departments, or people, rather than to things that lie within their own sphere of influence. This inevitably causes frustration. Quality circles overcome this major difficulty of participative problem-solving by introducing the combined ideas of 'no finger pointing' and 'put your own house in order'. By focusing on issues that they can influence, quality circles are in a much stronger position to get things done than if they spend their time trying to tell others what to do.

The third feature of the quality circles definition is that circles solve their problems in an organized way. They are given training in the skills of systematic and creative problem-solving and of working together effectively in a group. They are also taught how to collect data so that their ideas can be based on facts rather than opinions. The quality circles approach is probably the only approach which gives problem-solving training to non-supervisory staff. Training is a key part of the concept since it gives members the tools to do the job. It should be remembered that for most staff this will be the first

time that they have been involved in such an activity that it would be very dangerous to assume that the requisite skills were already in place and ready to be used.

Launching quality circles is not nearly as simple as it appears at first. It needs to form a part of the philosophy of management of the organization, it must be voluntary, and it must focus on 'putting our own house in order'. Furthermore, training must be given to enable groups to engage in the problem-solving activity in an organized and professional way.

A working definition of a quality circle would include the following elements: a group of four to ten volunteers who work for the same first-line supervisor, and who meet together regularly to identify, analyse and solve their work problems (Robson 1983).

First, quality circles is a natural work-group approach as distinct from a taskforce or project process, both of which tend to be inter-departmental or a vertical slice of the organization.

Second, the group does not need to consist of the entire workforce from that section. If twenty people work in an area and nine volunteer, then the nine form the quality circle. Of course, the remaining eleven must be kept informed at all times about the topics being tackled and indeed they should be encouraged to put forward their ideas even if they do not want to join the group.

Third, the groups meet regularly once a week, for an hour, and as far as possible in paid time. Once a week is a good practical balance between the desire to get on with things on the one hand, and the need to ensure that the workflow in the section is not adversely affected on the other. The meetings should be limited in length as an antidote to Parkinson's Law, and experience shows that an hour is the right length of time in most circumstances. The meetings should be held in paid time. This is because the meetings are about work, not leisure, and as such should be paid in the normal way; no more, no less.

Fourth, the groups do not stop at the identification of a problem for passing on to management to solve. They utilize the training they receive to analyse and solve it, and then to present their findings to management.

What are the objectives of a quality circles programme? There are three main goals,

- 1 Employee involvement.
- 2 People development.
- 3 The generation of tangible benefits.

The quality circles concept is one of the best mechanisms for encouraging direct employee involvement. Like work reorganiza-

tion, it is a way of giving people more participation in decisions and more say over their work at the job level.

The second objective is the development of people in the organization. Quality circles undoubtedly promote the development of employees through the acquisition of new skills and the opportunity to work together on real problems. The quality circles training also helps supervisors to build their problem-solving skills and their abilities in working in, and leading, small groups. For many managers, quality circles offer the practical framework for introducing and developing genuinely participative management styles. Often, in the past, well-meaning attempts by managers to do this have foundered for want of a usable, practical framework and after a few months, 'participation' has been relegated to the side lines with the comment that it 'sounds all right in theory but . . .' Quality circles change this. Although based on sound theoretical premises, the approach is intensely practical. It builds the bridge back from theory to the real world.

The third goal of quality circles is to generate benefits for the organization and the people in it. The evidence suggests that quality circles programmes tend to be cost-effective and sometimes very much so. Research done in the UK in 1985 quotes a conservative payback of four times the investment, and often higher payback figures are reported. A vital concern about this, however, is that it is very dangerous to make this objective the primary one, since doing so will involve putting pressure on and maybe breaking some of the rules, notably that the groups 'own' the problem-selection process, and there should be no pressure on them to select one which is likely to generate direct tangible benefits. If this happens, the ownership of the group has been 'stolen' and the concept becomes nothing more than another management controlled and regulated technique.

Quality circles is an exciting, invigorating and fresh concept, but it is not a magic wand. If introduced with care and skill, however, it can contribute to the development of more healthy and effective organizations, in which people's abilities at all levels are recognized and valued, and where there is an opportunity provided for latent talent to be used.

A programme of introduction for quality circles

The introduction of quality circles can usefully be viewed in the five stages outlined below:

Stage 1 Planning and communication

At the outset of any programme it is necessary to devise a detailed plan of introduction. This will include the answers to such questions as the number of circles to introduce, arrangements for resourcing and the

timing of the programme. During the first stage communication meetings are held with managers, supervisors and unions to discuss the concept, gain agreement to its introduction, and to outline the overall plan.

Stage 2 Facilitator training

The key tasks of this stage are to identify the facilitators, train them in the requisite skills of developing people, counselling and problem-solving, and to develop a broad plan of their involvement. This will involve a training programme, depending on the needs of the organization, of between two and five days.

Stage 3 Leader training

The leader training course is a three-day programme during which the participants are given a thorough grounding in the knowledge and skills required to enable them to fulfil the role of a quality circle leader. This training involves learning about what happens in these kind of groups, so that the leader will be able to ensure that the meetings are well conducted. There is also a need for the leader to learn how to draw out the best from the members of the group. Finally there is the vital area of the problem-solving structure and techniques. The leader needs to understand these techniques and to have had the opportunity of practising them.

Stage 4 Getting started

Here the focus is on two key aspects of a successful programme:

- 1 Ensuring the circles are set up well and trained thoroughly. We recommend that organizations should plan to start with between two and six groups. The work at this stage involves:
 - Assisting with the presentations to potential circle members.
 - 'On the job' development of circle leaders as they set up and begin to run their groups.
 - Continuing development of facilitator skills in helping circles to move towards self-sufficiency.
- 2 Tackling the possible problem of some managers being sceptical. This involves:
 - Assisting circles to see the need to take this into account.
 - Helping circles to make it easy for managers to 'buy in'.
 - Holding communication meetings with managers.
- 3 A criticism sometimes made of quality circles states that they are something the top of the organization tells the middle to do to the bottom (Lawler 1985). A conscious effort to make management

support genuine and *visible* at all levels in the organization can help offset this concern.

Stage 5 Consolidation and expansion

During this stage the programme must be consolidated and the next phase of expansion planned and implemented. This will involve the following tasks:

- Ensuring that each circle completes its first problem-solving round, culminating in a management presentation.
- Helping the groups to identify their next subjects.
- Planning the extension of the programme with the coordinator.
- Starting up the next round of quality circles using internal resources.
- Continuing to ensure the development of management support.

'During the start-up phase, few serious threats to the programme arise. The worst are an insufficient number of volunteers, inadequate training, inability of volunteers to learn the procedures and, finally, lack of funding for meetings, facilitator times and training' (Lawler 1985).

One of the primary aims of quality circles is to re-establish the essential role of the foreman. It is important that he assumes leadership of the quality circles and helps shape it through careful project selection and training. Over the last sixty years the role of first line production supervisors has undergone extensive changes. Previously he exercised a good measure of control over the workforce and a rather straightforward relationship with his own supervisors. Today, the front line supervisor finds himself further removed from the decision-making centre that directly affects shopfloor and departmental work. The supervisory role has been viewed as 'man in the middle' (Roethlisberger 1945), who has to deal with the conflicting demands of management and the workers, or what has been called 'marginal men', occupying a position on the boundary between management and labour in a sort of organizational limbo (Wray 1949). Much of the research done on the superintendent was downward-looking from his position in the organization, focusing on his relationship with subordinates and the effects of his behaviour on workers' performance. An alternative perspective, that is viewing the supervisory role looking upwards, his relationship with higher management, reveals further changes in the role touching on his authority and the priorities which are set for him in terms of work objectives (Child 1975). Against the background of these unsettling changes, quality circles might result

in a simple, clear method of asserting the foreman's leadership at the grass roots level by increasing participation and control. He is not only leader of the circle, but he assumes a training role as well with regard to circle members (Bank and Wilpert 1983).

Key learning points

- 1 Although anyone in the organization can *sponsor* the introduction of quality circles into the company, the *coordinator* of the programme should be a senior manager at the heart of the business (usually a line manager) who has a high profile and high credibility across the organization. *Facilitators* should be middle managers and quality circle leaders should be front line supervisors.
- 2 Sponsors, other senior managers, the coordinator, facilitators, quality circle leaders and members all need some training geared to quality circle techniques and procedures.
- 3 Companies should do as much of the training for quality circles as they can competently do. Starting with a pilot programme they should aim to 'grow' the programme themselves. However, they should also provide resources for as much outside consultancy as needed to ensure a correct launch and proper development of the programme.
- 4 Certain core quality circle principles should be adhered to. These include 'voluntarism at all levels, adequate training, a tight problem-solving focus for the work groups, the use of facilitators, presentations to the relevant levels of management and recognition'.
- 5 There exists a body of data which illuminates why quality circles fail (Bartlett). A study of the common reason for failure can lead to pre-emptive measures being taken in a quality circles launch and development.

Coordinator

While the sponsor of a quality circle programme – the 'champion' who introduces it into the company because he believes in the idea and is prepared to promote it – can come from anywhere in the organization, the *coordinator* who volunteers to administer the programme, should be a senior manager who is well respected in the company and who is at the centre of the business. He should normally be a line manager rather than someone with a staff function. In a warehousing operation, he might be the traffic

Suspending quality circles: Alcan Plate Limited

manager, in an engineering works he could be the production manager, in a retail operation he could be the marketing manager. His role includes the following activities:

- Focal point.
- Programme administrator.
- Communications.
- Plan the future – make decisions.
- Uphold principles.

The facilitator's role includes:

- Make groups self-sufficient:
training
development.
- 'Process' not 'task'.
- Develop leader:
confidence
competence.
- Make it easy for others to:
understand
support
'buy in'.
- Oil wheels.

The quality circle leader's role encompasses the following roles:

- Trainer of quality circle members.
- Helps members feel comfortable in the meeting situation.
- Ensures that there is no elitism among quality circle members and that they stay in touch with the work group.
- Ensures that quality circles keep a problem-solving focus and stick to problems in the work group.
- Make it easy for others to co-operate with or join the quality circle.

Training

The investigators of quality circles at Alcan assumed that no specific quality circle training was needed for anyone in the company. The quality circle leaders were given a few pointers on chairmanship. No systematic problem-solving training was provided for facilitators, circle leaders or circle members.

Whether this decision was made as an economy measure or simply due to a misunderstanding of the classic model one cannot tell. But the consequences of no training took its toll on the programme.

All practitioners 'In addition to the training for facilitators and leaders, others in the organization generally benefit from learning more about the quality circle process. Training programmes for managers including middle management and union officials, are the ideal way to expose them to the quality circle concept' (Bartlett).

Role of the outside consultant

The Alcan managers decided to avoid both training and outside consultants. Going it alone meant that there was no expertise to help them avoid their mistakes and no specific quality circle training for anyone in the company. Had there been a quality circle expert working with the installation of the programme many costly mistakes could have been avoided.

The external quality circle consultant offers the company six important benefits.

- 1 He provides objectivity about the intervention.
- 2 He brings 'state-of-the-art' technology to the quality circle launch.
- 3 He underwrites uncertainties for management in that he has helped other companies launch quality circle programmes and knows the elephant traps.
- 4 He acts as a catalyst for ideas and action in this employee involvement effort.
- 5 He provides extra working capacity provided for the specific objectives of launching and developing the quality circle programme.
- 6 He provides facilitator and leader training.

Core principles

The case demonstrates how a company runs into great difficulties with a quality circle start up if they neglect the core principles which have proven essential to quality circle programmes everywhere. For example, Alcan made a general foreman instead of foremen the quality circle leaders, which was one level higher than front-line supervisors. The immediate supervisors of the general foreman, the superintendents, sat in on the meetings which certainly could have been interpreted as a lack of trust in the general foreman's leadership. It could have set up a rivalry for leadership and would have daunted most foremen.

Initial problems were given to the Alcan quality circles by the superintendents 'to help get them started' which adversely affected the quality circle's ownership of the problems and violated the core

principle that quality circles identify, analyse and solve problems of their own choosing.

By having quality circles dependent on managers at too high a level in the organization Alcan created difficulties for the circles. When teething problems were encountered with the new furnaces and the new computers that made unrelenting demands on these managers, keeping them from attending the quality circles meetings, the meetings were cancelled. Momentum fell and eventually when large-scale redundancies added to the managers' problems, the quality circle programme was suspended.

Why quality circles fail

The case contains some explicit data from America as to why quality circles fail. Such frequent indicators of failure should be studied, contrasted and compared with research from other countries. A coincidence in the data indicate that just as there are universal core principles for quality circles there are also common causes of failure (Dale and Howard).

A survey of sixty-seven British companies published in 1984, for example, stated that the main reasons for failures include rejection of the concept by top management and trade unions, the disruption caused by redundancies and company restructuring, labour turnover, lack of cooperation from middle and first-line management, and failure by circle leaders to find enough time to organize meetings.

As the case bears out most of these problems affected the quality circle launch at Alcan. The research also clearly indicates that, as at Alcan Plate, when there is a quality circle failure or suspension of the programme, the vast majority are willing to try again.

Teaching style

Start with a small group discussion in separate places. Use flipcharts within groups. Have each group summarize on the flipcharts their discussion of how they would plan a *relaunch* of quality circles at Alcan Plate.

At the plenary session ask each group to present its findings.

Tutors should update the research in the case on quality circle failures and discuss localized data, if it exists. They could then broaden discussions to the position of quality circles in the field of employee involvement.

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Managing survivors

The experience of survivors in British Telecom and the British financial services sector

Managing
survivors

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Noeleen Doherty, John Bank and Susan Vinnicombe
Cranfield School of Management, Cranfield University, Cranfield, UK

Introduction

Organizations throughout the early 1990s have been battling wave after wave of change driven by the need to control costs and respond to the onslaught of technological innovation, globalization and business process re-engineering. This has led to an unprecedented amount of restructuring and the extensive modification of internal labour markets, often euphemistically termed rightsizing or downsizing. The extent and pace of such change within British industry has been increasing dramatically, resulting in the redesign of jobs, the revision of working relationships and the redefinition of career opportunities, all of which have contributed to massive redundancies and the demise of security of employment for many individuals[1]. This poses a new challenge to organizations as they now need to navigate many transitions to achieve successful outcomes. The successful charting of organizations through major change relies heavily on managing the remaining employees. Considerable financial resource is often allocated to provide personal counselling, job search, skills development and support to ensure the smooth passage of employees out of the organization[2]. The value of outplacement as a damage limitation exercise for remaining employees also has been recognized by many companies. When an organization is seen to help those leaving, those who remain appear to appreciate what is done[3].

However, it is increasingly being acknowledged that survivors often experience the effects of major change as deeply as those made redundant. The set of shared reactions and behaviours of people who have survived an adverse event has been termed "survivor syndrome". The applicability of the concept to business is challenging, highlighting the range of antecedents and reactions found among those who remain in employment following layoffs[4,5]. Survivors often exhibit emotions and responses which include shock, disbelief, betrayal, animosity towards management and concern about colleagues, which find

The survivor syndrome survey in the financial services sector was sponsored by Working Transitions, a human resource consultancy whose core activity is helping organizations to manage major change. The authors wish to express their thanks to Jim Horsted.

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expression in decreased motivation, lower morale, guilt and fear about job security.

The research reported here explores the phenomenon in the financial services sector and in British Telecom (BT) and highlights the fact that, despite an acute awareness of the potential problems for the survivors, many organizations continue to pursue strategies and practices which are short-term and organizationally biased but which give little support to the individual.

BT case study

Background

On 31 July 1992, 20,000 BT employees left the company in a voluntary downsizing exercise which cost BT many millions of pounds in redundancy payments and hurt its share price. Since then BT has run annual "release schemes" each involving over 10,000 people. Twelve thousand more job losses were targeted for the financial year ending in March 1996. BT has cut its workforce from 244,000 in 1989 to 120,000, at a cost of about £24 billion, with further cuts in the pipeline. BT distinguishes itself as a case particularly worthy of study on managing the survivor syndrome for four reasons:

- (1) the scale of the downsizing is enormous;
- (2) BT was traditionally seen as a company where individuals spent their whole working lives;
- (3) it was the first major company in the UK to downsize;
- (4) BT has attempted to manage the downsizing through voluntary redundancy schemes with golden parachutes, known as "release schemes".

Latterly, however, a number of redundancies have been targeted. These four distinguishing features might suggest that the impact of the downsizing on survivors would be a great deal softer than in other organizations where the exercise has been carried out in a quicker and harsher way. BT employees have also had a longer time to assimilate the process of downsizing. Research into employees' reactions to downsizing, however, does not reflect the expected rosy picture. On the contrary, BT survivors are filled with insecurity and anxiety and are working excessively long hours.

What emerged from the BT research is that remaining employees have had to recover from a triple blow. First, there is the sudden loss of colleagues, many of them long-standing colleagues, some of them close friends. Second, there is the threat of future job loss for themselves, since the crisis is never really over and their positions remain endangered. Third, there is the redesign of their work such that they are often handling the equivalent of two to three people's work and feeling increased stress because of it.

It is well known that when individuals are managing any transition in their lives, be it the death of a loved one, childbirth, divorce or even a house move, what they most need is personal space and support. To throw impossible work targets and long work days at individuals as was done to the BT employees, many of whom were trying to come to terms with a major work change, was to deny them personal space and to invite stress on a major scale.

It is interesting to analyse the survivor syndrome at four different levels: the individual level, the work role/task level, the work group level and the organizational level (see Figure 1). At the individual level, survivors express a marked decrease in motivation. They feel less positive about their work, yet work long hours. (British workers spend more time at work than any of their European counterparts.) Stress surfaced as a serious problem. Survivors' confidence in a personal future with the organization was eroded leading to continual job insecurity. Loyalty to the organization was diminished and survivors mentally uncoupled their futures from BT. Survivors saw their future

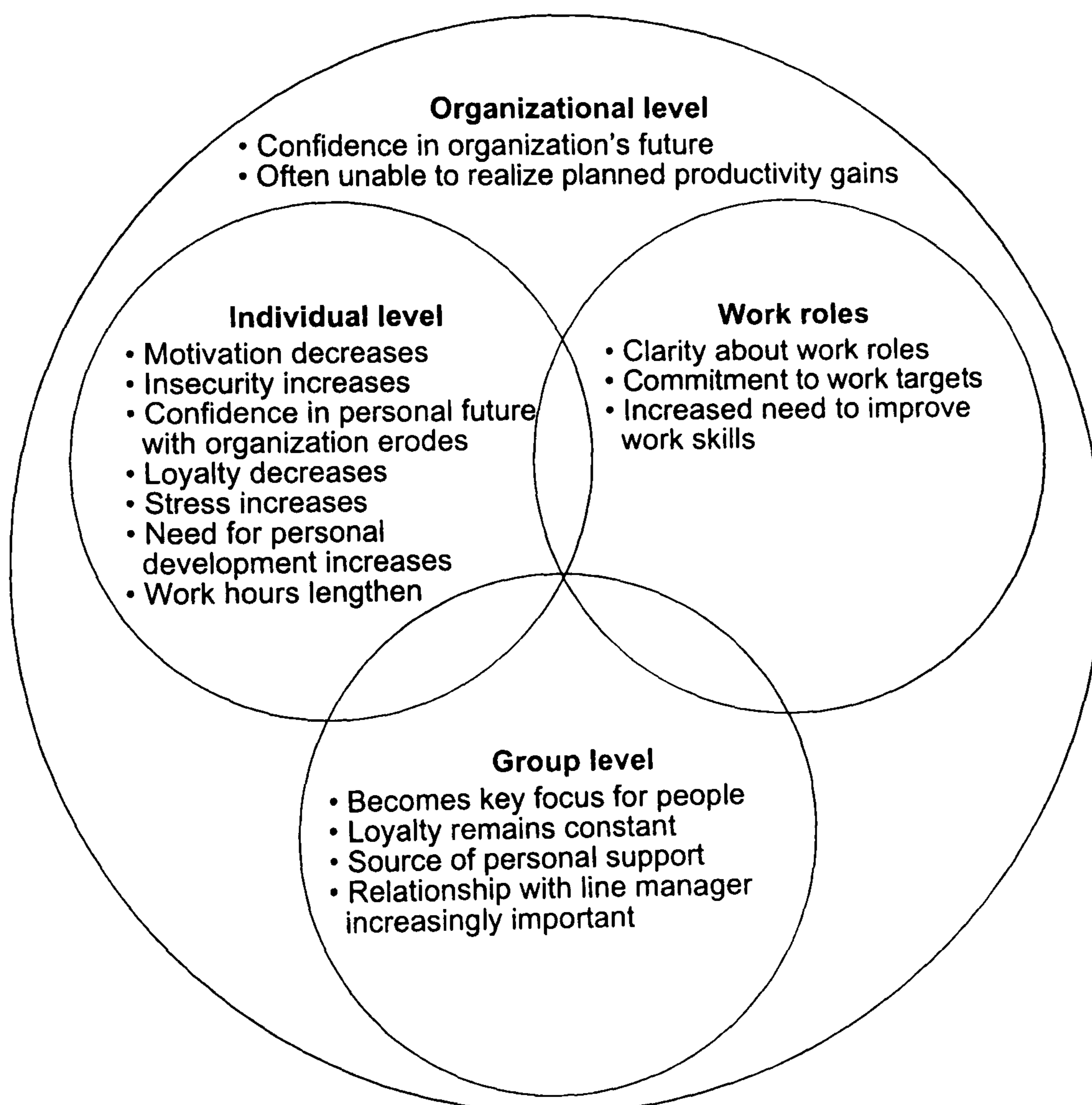


Figure 1. Model of the survivor syndrome

being dependent on their personal efforts, making the need for personal development paramount. There was an increased demand for information as the work environment became uncertain and rumours flourished.

At the work role/task level BT survivors were committed to their own personal performance. Survivors saw their organization assessing performance against hard targets and the key to their future in the organization was seen as meeting/exceeding targets. Survivors thus took targets seriously and were keen to polish their work skills, which they saw as a way of enabling them to work more productively.

The work group became the focus for BT survivors. Their friendships with colleagues and support from their line manager became their means of survival. The role of the line manager emerged as a difficult role in times of downsizing. Not only did they have their personal worries about their own jobs, but they felt they were frequently blamed by subordinates as the cause of their distress. Line managers, therefore, were seen to require special support throughout the process of downsizing. While loyalty to the big organization dropped considerably, loyalty to the work groups stayed constant.

At the organizational level survivors saw a positive future for the organization. This contrasts with survivors' lack of confidence in a personal future with the organization. Individuals expressed some concerns about BT's productivity gains from the downsizing. Many of them told the researchers their own stories of departments where contract workers had reluctantly been brought in to carry out the work previously done by "redundant" employees.

Individual survivors' reactions

The focus of this BT case study was the research carried out in the marketing communications department during April and May of 1995. BT carries out a regular company-wide "care survey" which surveys employees' attitudes to their work environment. Interestingly, the attitudes of employees in the marketing communications department were more positive than the average across the company; therefore this case study demonstrates a more positive profile of survivors than is likely elsewhere in the company. The population consisted of a senior manager and her department of approximately 36 individuals who are geographically spread across the UK. Three two-day workshops were held with them to provide an opportunity for survivors to work through how BT's downsizing had personally affected them. A review day was held a month later to assess learning from the workshop. Pre- and post-workshop questionnaires were completed by all the participants to capture individual reactions to the downsizing.

As in all changes, there are positive as well as negative outcomes to downsizing. Of the workshop participants, 30 per cent felt that the improved external focus of the company was the key successful outcome of the change. In particular there was an increased focus on the customer, which all welcomed.

This had been triggered by competition and regulatory pressure in the telecommunications industry, but nonetheless BT had put a great deal of effort into training staff to "put the customer first". The emergence of a good team spirit and improved internal communications were highlighted by 22 per cent as the next most important key outcome of the downsizing. The natural work team had become the survivors' organizational world. There was a greater reliance on support from colleagues and the line manager. "We tend to stick together more." "My own individual team, i.e. my peers and subordinates, are my greatest support mechanism." Team away-days were a common part of the culture of BT and served to reinforce this loyalty to the work group. A minority (13 per cent) saw the new work environment as offering them more job mobility/opportunities: "There is so much to do!" Lastly, 9 per cent of participants mentioned that the downsizing exercise was useful in terms of learning to cope with change. "If change is to be a way of life at work in BT, the downsizing exercise has certainly imposed massive change on everyone in the company."

BT survivors identified five key failures emanating from the downsizing. Forty-four per cent highlighted the extra workload. Many survivors were overwhelmed with the amount of work required from them. As jobs were lost in departments, the work of redundant employees was absorbed into their colleagues' workloads. Nearly everyone knew of a colleague who was on long-term stress leave as a result of work pressures. Out of the survivors, 26 per cent feared for their own jobs in the next wave of downsizing, which made them insecure about their jobs and future with BT, and 22 per cent of survivors mentioned loss of career opportunities, coping with change ("too much change!") and poor management decisions. Many survivors described part of the trauma of being a survivor as being unable to justify why they were kept and others were asked to leave. They speak of the process as being random. As such they can have no role in influencing it. They are as helpless as survivors in an air crash. "They leave you dangling on a string, floundering like a victim of a shipwreck. It is almost capricious: they decide who will survive." Like air crash survivors they experience great guilt and grief for their lost colleagues.

As other observers of the survivor syndrome phenomenon note: survivors of restructuring do not consider themselves separate, distinct and different from those made redundant. Rather, they identify with them powerfully. "There but for the grace of God...", they mutter, feeling guilty that they have survived while others in the team have gone. Again, it is their identity as a valued member of the organization which has suffered: "They've done it to them, they can do it to me" [6].

The pre- and post-workshop questionnaires also measured survivors' reactions to 15 aspects of work, such as job security, motivation, stress levels, team working and customer orientation. The key results focused on stress, loyalty and fun. Of the survivors, 77 per cent stated that stress had increased at

work, and 69 per cent of survivors highlighted that loyalty to BT and the amount of fun gained from work has decreased. Motivation to work was illustrated by the following quote: "What drove us on to complete the project, even with its impossible targets, was our professionalism and our relationship with the customer to whom we were committed. It had little to do with loyalty to the company".

At times, this lack of loyalty found a unifying dissenting voice, as in August 1994 when Sir Iain Vallance, the company chairman, announced another round of redundancies. The frustrations of middle managers, graduate employees and front-line people united these separate groups of BT personnel. A *Financial Times* article[7] captured their response under the banner headline "Betrayed, unloved and angry".

As BT continues to produce profits of over £100 per second as indicated by their results (November 1995), survivors will question the need for further cuts and the validity of benchmarking their company's manning levels against AT&T. If the corporate resolve to downsize at BT continues, where will the new motivation in BT come from? Professionalism, pleasing the customer and personal support from colleagues are helping the survivors manage their new work environment. But that is only part of the answer. As BT employees enter the sixth year of downsizing, there are still severe misgivings. In the survivors' voices: "I think I'm almost immune after six downsizing operations in six years", remarked one manager. "This may be a cynical view, but I am the insecure product of an organization in change." "The only question is how much have these disruptions detracted from the job in hand – has the lack of focus cost us more than the reduced head count has saved us?" asked another.

A mixed message came from a third BT manager:

Although I did not end up with the job I wanted it has turned out well. I have a very good team who work hard and they have achieved notable success in building the work area. I have also been promoted during this time. I am struggling with the negative aspects of downsizing which meant I have closed down one location and have two re-deployees. Other than projects, there is little for them to do and it is quite debilitating for the rest of the team as the re-deployees are understandably particularly negative.

A vote of confidence in the way BT had handled the change carried with it a caveat on rewards:

Overall, I feel that the organization has managed its change programme effectively for the business and in a minimalist way for individuals. The biggest failing is to the people who are left in the company. The financial reward has been given to the leavers. The reward for those retained is the fact that they still have a job.

The pay differentials between lower and senior managers are growing. In a time of instability, financial rewards for a job well done are important. It is very difficult to sidestep a commitment to pay increases or bonuses to employees. It appears that this company is using well meaning words to offer "training and

development" in place of financial rewards, without the commitment to deliver a great deal of either.

Managing the transitions imposed on survivors and maintaining and cultivating the loyalty, commitment and motivation of remaining employees is now an enduring challenge. One danger BT faces is letting downsizing become an end in itself, where one downsizing follows another in an unrelenting pattern to cut costs. It could lead to a form of organizational anorexia with disastrous results. Another danger is to ignore the real problems of the survivors and their double need to process their thoughts and feelings and to find a new basis for the psychological contract at work. As one survivor summed up his experience of the downsizing: "The business world has entered a new paradigm. Our terms of employment and expectations have changed irrevocably, and we have to accept this, adapt and move forward".

Survivor syndrome: a pervasive problem

A large-scale survey of the financial services was conducted by the Human Resource Research Centre at Cranfield School of Management, for Working Transitions, during summer 1994[8]. The survey polled the views and opinions of 170 HR specialists from banks, building societies and other financial services institutions throughout the UK and provides an illustration of the extent to which survivor syndrome has impacted across the sector. Financial services had, until recently, a paternalistic ethos which included providing a secure environment for employees. However, these HR practitioners reported many symptoms of survivor syndrome: decreased motivation, morale and loyalty and increased stress and scepticism. This is similar to findings in organizations in the USA[9,10].

Despite a high level of awareness of the problems and consequences which can be precipitated by survivor issues, few organizations appear to be addressing change in a coherent manner. While 79 per cent of respondents reported the use of outplacement for departing employees, fewer than half (45 per cent) stated that their organizations provided structured help for the survivors.

Where help was provided, it focused mainly on work-related skills and coaching and counselling skills, with much less emphasis on individual counselling on personal change or careers. Although there appeared to be a lack of structured help in practical programmes, many respondents (93 per cent) indicated that there were formal strategies in place for the retention and motivation of remaining employees. These strategies concentrated mainly on reward (84 per cent of respondents) and training (83 per cent of respondents). Fewer than half of the respondents reported the use of succession planning (43 per cent), career management (44 per cent) or cultural change strategies (38 per cent).

Communication strategies were in place, but again these appeared to focus heavily on providing information at the job and task level, such as information

about reporting relationships (82 per cent of respondents), performance management (74 per cent of respondents), and changes in responsibility (72 per cent of respondents) as opposed to information about possible future changes (57 per cent of respondents) or career opportunities (42 per cent of respondents). In the face of uncertainty and insecurity, remaining employees often seek information to allay fears about the future, but the information being provided appeared to focus very much on the short term, with a heavy organizational bias.

These data, in conjunction with the response that little evaluation of the change situation was carried out (62 per cent of respondents reported no evaluation of change), would suggest that many organizations were launching into major change initiatives without consideration of the potential outcomes at the individual level. This may reflect a fire-fighting approach where the current pace and extent of change has focused organizational interventions on short-term requirements. The need to respond quickly and with flexibility has concentrated efforts at the job and task level, a legitimate approach from the organizational perspective, but one which can be seen to be at the individual's expense. The apparent lack of foresight with regard to personal change issues was borne out by the finding that survivors appeared to show more negative responses where no help was given, but there were no significant improvements even where help was provided.

Organizational change versus personal transition

HR and personnel specialists indicated that many employees in their organizations exhibited decreased motivation, morale, and loyalty to the organization and increased stress levels and scepticism. Survivors' reactions seem complex. Where there were enforced redundancies, survivors' career security appeared to decrease. HR specialists indicated that confidence in the organization's future appeared to increase but individuals' confidence in their own future seemed to decrease. While loyalty to the organization was thought to decrease, loyalty to peers was thought to remain the same or increase.

The dynamics of survivors' reactions may be likened to those experienced by individuals facing a major life transition. Transition often involves an oscillation through denial, anger, depression and disengagement before assimilation of the experience and readjustment to the situation. Understanding how individuals react to stressful situations and how the personal change process happens highlights the potential impact of change on the organization.

For individuals, personal transition involves coming to terms with the fact that the old way of doing things is no longer appropriate and requires them to grasp the new organizational reality. This means coping with the impact of change on working relationships and on the different opportunities for career development and progression, which may be very different within a new organizational structure. Therefore a range of interventions, including coaching, counselling, career and self-development, which focus at the

appropriate level and intensity, can facilitate the individual journey through change.

Guidelines for transition management

It is difficult to disaggregate the influences of the many change agents and factors which have an impact on organizations and individuals owing to the interrelated nature of the variables. This has led to a lack of implementation of the best practice guidelines in the management of survivor syndrome. Previous authors[11,12] have suggested that the management of survivors requires an integrated combination of programmes encompassing employee involvement techniques, problem solving, team-building activities and counselling about long-term aspirations and career opportunities to address both individual and organizational needs. However, many change management programmes appear to deal with matters almost exclusively from the organizational point of view, as these are the most pressing and, in many instances, the easiest starting-point. There is a need for change management which recognizes the individual perspective, as the reactions and subsequent behaviours of remaining employees are fundamental to the success of the transformations instituted. This requires the development of strategies which support and assist the integration of organizational change and personal transition.

Conclusions

The data presented in this paper suggest that survivor syndrome issues can be painful and far-reaching at both individual and organizational levels. Employees often rationally understand and defend the need for downsizing, but find it difficult to accept emotionally. This highlights the importance of helping people to process their feelings, of educating them in the new organizational vision and structure, and recognizing their career management needs. The strategies adopted by organizations facing the onslaught of major change need to focus more clearly on these individual level issues, in order to navigate change successfully.

Organizations will only be able to accommodate new expectations if they recognize and address the individual transition and personal development concerns which interrelate with the organizational change needs. The key to achieving equilibrium in the employment relationship lies in understanding and facilitating the ongoing process of negotiation between employers and employees.

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(Noeleen Doherty is Senior Research Fellow, and John Bank and Susan Vinnicombe are all based at Cranfield University, Cranfield, UK.)