

WORK AND POWER IN AUSTRALIA:
A STUDY OF POWER IN WORK RELATIONSHIPS

by

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CHAPTER ONE

INTRODUCTION

The alienation theme is writ large: the mode of production and the means of administration are depicted in ways which suggest that the individual worker has lost control over the conditions of his working life. And work as an activity is so broken down into a minute division of labour that it has lost its meaning for the individual worker. Moreover, he is so closely circumscribed by an imposed system of impersonal rules that he may be properly described as "unfree".

(Eldridge, 1968: 11)

The alienation theme is now so large in the sociological literature that it has become an acceptable descriptive category for some condition of life in contemporary industrial society. At a general level of explanation, Poole (1975: 3) suggests that it is "endemic of our era" of machine technology. Faunce (1968: 84) describes the condition as the "most persistent indictment of industrial society", but considers that "not everyone ... experiences alienation and of those who do, some are more alienated than others" (Faunce, 1968j 102). The consensus of opinion in the literature is that the ones who are most alienated are those in manual occupations. A whole range of such occupations from assembly line worker (Chinoy, 1955) to prostitute (Jackman, 1972: 320) has been approached from the basic premise that the work of these people is, for them, an alienating activity. Referring to the "repetitive and fragmented operations" of manual work, Friedmann (1961: xii), suggests that these occupations, "unlike those in which the worker can find ever-renewed interest, as well as intrinsic satisfaction, which in privileged cases may even amount to real enjoyment ... only call for short-term motivation".

As a development of Chinoy's (1955) study of automobile workers, it became a trend in industrial sociology to measure the level of alienation in various occupations. Seeman (1959) questioned the validity of equating alienation with unrewarding work, but this did little to dampen the enthusiasm for Blauner's (1964) empirical analysis of four occupational categories. As Eldridge (1971: 193) suggested, the study makes erroneous assumptions regarding the comparability of these categories, but the conclusion which Blauner reached was remarkable for its neatness. Alienation, considered as powerlessness, meaninglessness, isolation, and self-estrangement, is not prevalent in the printing industry, but is a feature of the textile and automobile industries. With the chemical industry, in spite of equivalent levels of machine technology, there is a counter-trend which Blauner (1964: 182) considers to be the result of "meaningful work in a more cohesive, integrated industrial climate".

The general impression from the literature is that of universal agreement regarding the definition of the term alienation. In fact, there is no such agreement, but instead, a variety of opposing conceptualisations. According to Neal and Rettig (1967: 54), the resulting confusion makes for "serious communication problems as well as for conceptual and methodological difficulties in theory construction". The main conceptualisation is derived from the Marxist interpretation of social organisation and is evident in Blauner's definition of alienation in terms of powerlessness and meaninglessness. In the same way as most writers on work, Blauner (1964) includes at least two other traditions in his definition. Self-estrangement is a Hegelian derivation whereas isolation is more characteristic of the Durkheimian approach to society. Often these traditions are drawn upon at random, especially the Marxist and the Durkheimian. For example, Berger (1964: 224) considers that "despite wide theoretical differences", anomie

is "a term certainly to be related to Marx's 'alienated work'". As Schacht (1971: 186) emphasises, these theoretical differences are often overlooked with the result that discussion of anomie creates a "conception of alienation" similar to the Marxist. It is my contention that, because of the implications for the structuring of work relationships, the two terms should be kept separate. In Chapter Two, with the discussion of work, alienation and anomie will be described as the Marxist and Durkheimian theses. Arising from them are theoretical expectations regarding the nature of work relationships in industrial society.

Almost regardless of the theoretical difficulties which Neal and Rettig (1967) refer to, writers on industrial sociology have also reached consensus regarding the "cure" for alienation. The condition will be eliminated when work becomes, intrinsically, more satisfying, but the development of such work presents difficulties for contemporary industrial society. For example, Chinoy (1964: 79) describes the "lack of intrinsic interest, the monotony of routine, repetitive tasks, the potential moral detachment, and loss of meaning in work" of machine operators. He considers that eliminating "these humanly restricting experiences from such jobs may entail some choice between economic values and the psychological well-being of the workers". (Chinoy, 1964: 79). By contrast, other writers argue from an equation of psychological well-being and social values, particularly that of power. As Blumberg (1968: 123) suggests:

There is scarcely 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 worker's decision-making power.

For example, Blauner (1964: 186) suggests that the "pluralistic power distribution that characterises modern industry is lacking" in the textile plants he examined. He makes the recommendation that "a strong

labour union would ... reduce the powerlessness and improve the working conditions of the textile employees" (Blauner, 1964: 186). More generally, Balfour (1973: 1) considers that "many workers have no power to influence their working lives in the area or factory where they spend most of their time". Clarke (1972: 194) suggests that the "only effective antidote" for a society which consistently fails to make work more meaningful is "the creation of a society in which individuals can find a wider opportunity to participate in the making of decisions of all kinds that effect [the worker's] well being".

A common assumption of these conclusions is that a redistribution of power will in some way alter the relationship between the worker and his work. Therefore, it is difficult to comprehend why, as Poole (1975: 9) suggests, "the critical role of power in industrial life has simply been ignored or, at best, treated cautiously". The notion of, and even the mechanisms for, the redistribution of power are contained in the Marxist and Durkheimian theses, but very few attempts have been made to orient the analysis of work relationships from this aspect. Of those which have, none appear to escape the restrictions imposed by the community power debate. Dubin (1960: 518) aimed to develop a "theoretical model of conflict and power in union-management relationships", but offers little more than a minor elaboration of the pluralist position. Similarly Poole (1975: 159) presents the conventional elitist position whereby changes in the structure of authority in the industrial organisation are seen to be a derivative of latent power and values.

This criticism is not directed at the quality of the studies which is equivalent to the most sophisticated analysis of community power. On the contrary, Poole's interpretation of co-determination is referred to in Chapter Three as being the most significant for this particular work

relationship (Poole, 1975: 148). Instead, the intention is to question the basic assumptions made by these writers regarding the study of power in the context of the industrial organisation as opposed to that of the community. For example, Dubin (1960: 507) assumes that "the concept of power which is essential to the analysis of industrial relations, can be given specific and empirical reliable meaning for analytic purposes if we ground it in functional theory. Functional analysis has a long and happy history in social science, particularly in anthropology and sociology ..." By contrast, Poole (1975: 23) suggests that "while sociologists have not necessarily agreed on the meaning of this key term [power]", there are three main points in the approach to its analysis. These are, "a focus on the principal manifestations of power, ... a concentration on the latent or potential strengths of particular classes, parties, and groups, and finally, an account of the role of values and ideologies in which are rooted essential questions about man and his relation to the natural and physical world".

The first of these assumptions is valid if the history includes the early development of British structural-functionalism, but its recent use in the community power debate would seem to be far from happy. The second immediately imposes restrictions on the study of elites in industrial society, because, as Clegg (1975: 24) suggests, "the inference that some elite does or does not exist derives from observing some members doing some activities which are taken to indicate the existing of a ruling elite, but any assignment of fact must clarify the nature of this membership, and the nature of a 'fair sample', and a 'key political decision' as evidence". I would suggest that the resolution of these difficulties or the unquestioned acceptance of the validity of functional analysis, apart from its reliability, will only prolong a debate which has already been described as "sterile" in the community context (Wild, 1974: 146).

The concern in this thesis is with the development of a conceptual framework for the analysis of power in industrial society. The first section of Chapter Two is devoted to a discussion of work in terms of the alienation thesis. This is related to the second section of that chapter which examines the theoretical issues involved in extending beyond the power debate in the context of the community and towards a more appropriate definition of power for the context of the industrial organisation. The framework is then applied to a range of analytically separate approaches to work relationships. These include workers' participation, workers' control, scientific management, and human management.

The objectives behind applying the framework to these analytic categories of work relationships are threefold. First, the framework can be tested at the level of explanation employed in the Marxist and Durkheimian theories. Second, modifications can be made to the framework so that it can be used for the analysis of middle-range theory. Third, the feedback from the literature survey on work relationships and from the discussion of power provides a background for the analysis of work and power in the context of Australian industrial society. Although the main research aim in the present thesis is the development of a general conceptual framework, the intention is to eventually use this framework for a detailed sociological analysis of work relationships in Australian industry.

To this end, Chapter Five is devoted to a general discussion of work and power in Australian society with particular reference to the system of compulsory arbitration. A section of this chapter examines the development of values and ideologies by employers' associations in Australia. As an analysis of the entire structure of employers' associations is beyond the present thesis, I have considered one association in detail. This is the Metal Trades Industry Association.

In the analysis, I compiled a history of voting procedures dating back to 1927 to discover trends which might indicate the emergence of an elite. For the same period, the editorial of each issue of the official magazine, the Metal Trades Journal, was scanned to arrive at an understanding of the association's value-system and ideology. Interviews were also conducted with informants who had been employed by the association and with present employees in Sydney, Melbourne, and Canberra.

As the forerunner for more in-depth research, work relationships at the Kurri Kurri smelter of Alcan Australia Limited were examined in terms of the framework. In some respects, this study was limited by the desire of management to avoid what they described as "the gold-fish bowl effect". For this reason, interviews were not conducted amongst the workers at the plant although extensive interview sessions were held with management. This raises the question of bias, but within the framework, its effects are minimal. Whatever bias remains must be balanced against the fact that the analysis presented in this thesis represents the first occasion that any independent observer has been admitted to the plant. In the interests of further observations at the plant, it was decided to limit the present analysis to the form as it is presented in Chapter Six. This consists of a description of work at the smelter, the result of observations made while being conducted on a personal tour of the plant by staff members. Against this is the interview material selected from the sessions with management and with the executive of the relevant trade union. Following this initial study, recommendations are made in Chapter Seven regarding further study in the field of work and power especially as it relates to Australian society.

CHAPTER TWO

WORK AND POWER

Introduction

The alienation theme is presented in this chapter as two separate theses, the Marxist and the Durkheimian. These will be discussed in the first section as "work". The intention is to extract the differences which exist between these two theses in terms of theoretical assumptions and implications regarding the nature of work relationships. The implications create sets of expectations which can be used to construct models of work relationships related to the corresponding proposals for the structure of industrial society. An aspect of the models which is given close attention is the treatment of power. In the second section, recent developments in the study of power within the community context are examined. From these developments, an analytic framework is constructed for the analysis of power in the Marxist and Durkheimian theses. Modifications to this framework are proposed so that the scope of analysis can be extended beyond the structural determinist level of explanation.

Work

For the "young Marx", there were two possible sources from which the concept of alienation might have been derived. The first was the general reaction by Romantics in Germany at the beginning of the nineteenth century against the asceticism of the Reformation. In art, writing, and according to Feuer (1963: 130), in the early works of Marx and Engels, there was an expression of concern over the loss of sexual identity. It had become a vogue to describe this loss as alienation.

The other source was the heritage of Hegelian philosophy which Marx, unwillingly, inherited. In the Hegelian tradition, alienation was also a loss, but a loss of the unattainable. In his physical condition, man could never gain the insight of the metaphysical absolute Idea. Instead, there is always a gap between insight in the physical condition and that of the Idea, a gap which is an inescapable aspect of the human estate. In that he perceives a higher level of insight, man experiences loss or, as Hegel defines it, man is alienated.

Although it is a common feature of humanity, the experience of alienation, for Hegel, is entirely individual. There is no shared experience within a social setting which will compensate the individual for his loss. No change in the society will alter the metaphysical. For Marx the Romantic, this proposition was intolerable because man's perception is both determined by and a determinant of the social structure. Marx overcame the individualism implied in the term alienation by substituting, in his later writings, the term "exploitation" and by refuting the notion of a metaphysical. As Bell (1962: 360) suggests, he has grounded a metaphysical concept in a physical reality, the mode of production. The problem is that the structural determinism which results contains a basic antimony which cannot be resolved within the Marxist framework. It is created by Marx's assumption that the collective experience of the class, exploitation, is no more than a sum total of the individual experiences of alienation.

The leap from the individual to the collective is conceptualised in the Marxist thesis by presenting, not one, but three interpretations of alienation. Giddens (1971: 228) has distinguished two of these as "technological" and "market" alienation. Technological alienation refers to the fact that man is forced to perform meaningless tasks in his labour. The capitalist system depends on the increasing fragmentation of labour

into smaller proportions of the total process of production. The proportion which each man performs is so minute that there is no possibility, given the capitalist structure of the mode of production, of the individual gaining control. The loss of control is exacerbated by the nature of the market in capitalist society. The monetisation of labour means that man can be separated from the full value of the product of his work. Part of that value, surplus labour, is retained within the mode of production as capital and is lost, forever, to the worker. The worker is alienated from the market while the owner of the mode of production prospers. From this analysis, Marx concludes that "private property appears to be the basis and cause of alienated labour" (Bottomore and Rubel, 1961: 176).

The feelings of powerlessness, loss of control, and meaninglessness are converted to a collective experience in the Marxist theory of class in capitalist society. Through the annexation of labour surplus, the class which owns the mode of production exercises economic power over the proletariat. By creating a system of work relationships which places the proletariat in the exploited position, the class as a whole is alienated. Proof of the collective experience depends on the third type of alienation which Schacht (1971: 100) describes in Marx's work as "self-alienation". This aspect of work in capitalist society bridges the Marxist ideology with the Hegelian in that it deals with the spiritual content of labour which is lost to every worker participating in a privately owned mode of production:

First, that the work is external to the worker, that it is not a part of his nature, that consequently, he does not fulfil himself in his work but denies himself, has a feeling of misery, not of well-being, does not develop freely a physical and mental energy, but is physically exhausted and mentally debased. The worker therefore feels himself at home only during his leisure, whereas at work, he feels homeless. His work is not voluntary but imposed, forced labour. It is not the satisfaction of a need, but only a means for satisfying other needs. Its alien character is shown

by the fact that as soon as there is no physical or other compulsion, it is avoided like the plague. Finally, the alienated character of work for the worker appears in the fact that it is not his work but work for someone else, that in work he does not belong to himself but to another person.

(Marx: reprinted in Bottomore and Rubel, 1961: 177-8)

All of this ends when the mode of production is socialised. As Bell (1962: 360) suggests, if alienation, for Marx, had remained an ontological aspect of human existence in the Hegelian tradition, changes in society would be irrelevant. By recasting alienation as the result of exploitation, it is possible to predict an end to the condition if a restructuring of society brings an end to exploitation. By definition, the latter is eliminated with the abolition of private ownership of the mode of production:

In the higher phase of communist society when the enslaving subordination of the individual to the division of labour ... has vanished; when labour is no longer a means of life but has become life's principal need; when the productive forces have increased with the all-round development of the individual and the springs of co-operative wealth flow more abundantly - only then will it be possible to transcend the narrow outlook of bourgeois right and only then will society be able to inscribe on its banners: From each according to his ability, to each according to his needs!

(Marx: reprinted in Tucker, 1972: 59)

However, the conversion of alienation to a social fact is not without danger. Marx runs the risk of falsely identifying the mode of production as the sole cause of alienation and of presuming that individual perception will be substantially altered by the elimination of private ownership alone. The antimony between individual and collective is overcome, to some extent by the notion of class consciousness, but fundamental problems remain. Nowhere in his work is there any indication of how needs will be recognised or abilities rewarded. There is no understanding of how the change in the mode of production is to be effected apart from the notion that each individual proletarian will exercise control according to his class interest. This interest is not

fulfilled by the substitution of the state for private ownership since the state, according to Marx, merely "reduced the distinction of birth, social rank, education, and occupation by declaring that every member of society is an equal partner in popular sovereignty" (reprinted Tucker 1972: 31). It does not give the individual worker any greater share of economic power, but simply creates a false consciousness. In the truly free society, "it [the state] dies out" (Engels, reprinted in Tucker, 1972: 635).

* * * *

In the Durkheimian thesis, the problem of individualism does not arise because the level of analysis is confined to that of the society. The theory of society which he formulates has implications for the individual in industrial society in that Durkheim was deeply concerned for the moral dilemma confronting contemporary man. However, his theory of society does not depend on these implications for its validation. Thus, anomie is a social condition which can result in individual feelings of normlessness, but it is evidenced by an abnormal form of the division of labour.

For Durkheim, the division of labour in society is an integrative mechanism which incorporates individuals in social roles. Ideally, each role should have a separate and distinct function within the overall society, but increased pressure on the division of labour can create the abnormal situation where roles become indistinguishable in terms of their function. Further differentiation of the division of labour at this point only produces roles which are meaningless. Mechanical types of societies erect finite limits to the differentiation of the division of labour which precludes some individuals from being effectively integrated.

In organic types there are additional mechanisms acting in concert with the division of labour which allow for a "condensation of the social mass" (Durkheim, 1933: 260). They facilitate a more extensive differentiation of the division of labour by improving the "fit" between individual, role, and role hierarchy. The individual is socialised by these mechanisms into a greater understanding of his role and of the relationship between that particular role and the rest of society. Durkheim described these mechanisms as "corporations", of which the most important for contemporary industrial society is the occupational grouping.

So important was the role of the occupational association in Durkheim's conceptual framework, that it became the sole contender for the functions of the church, family, and state. All of these had become inadequate as agents of socialisation. As the church and family failed, the state grew in a "sickly attempt to extend itself over all sorts of things which do not belong to it or which it grasps only by doing them violence" (Durkheim, cited in Nisbet, 1970: 158). Acting as an intermediary between the individual and the state, it mitigated the effects of the state while, at the same time, socialising the individual. The mediaeval guild performed the same function and writers such as Cole (1920) have considered the possibility of resurrecting these as modern forms of industrial democracy. As Giddens (1971: 103) suggests, however, Durkheim's notion of the corporation was more complex than that of guilds:

... they would be brought within the overall legal supervision of the state; they would have the authority to resolve conflicts both within their own membership and in relation to other occupational groupings; they would be a focus for a variety of educational and recreational activities.

Occupational groupings were intended to have a greater degree of political freedom than guilds. They would represent all areas of society, but within industry they would be divided into two distinct categories.

At the highest level, there would be a corporation in which employers and employees meet to discharge the function of "making general principles of industrial legislation" (Durkheim, 1933: 24). Below this level of industrial organisation, there would be further groupings which would disseminate the general principles to the individual. The outstanding characteristic of this system of organisation was the strict division which Durkheim advocated between employer and employee:

But if it is necessary that both meet in the directing councils of the corporations, it is no less important that at the base of the corporate organisation, they form distinct and independent groups, for their interests are too often rival and antagonistic. To be able to go about their ways freely, they must go about their ways separately. The two groups thus constituted would then be able to appoint their representatives to the common assemblies.

(Durkheim, 1933: 190)

Being an employer does not imply the ownership of property. The occupational group offered protection to the individual and it was an agent of socialisation. In this respect it was capable of superseding the family although the problem of the transmission of private property, including the mode of production, through inheritance remained. Durkheim considered that the occupational grouping of the future would eliminate this problem by acquiring title to property. Again, the method of acquisition is not made clear, but he specifically rejected the notion that it would be by way of revolution or syndicalism. As Giddens (1971: 103) suggests, Durkheim intended that the occupational groupings "must be concerned with the systematic moral regulation of industrial organisation". This concern will be legitimated in the future industrial society because the day will come when "our whole social and political organisation will have a base exclusively occupational":

Moreover, the investigations which are to follow will prove that this occupational organisation is not today everything that it ought to be; that abnormal causes have prevented it from attaining the degree of development which our social order now demands.

(Durkheim, 1933: 190)

The barrier to the full realisation of this form of social organisation is two-fold. There is an increasing demand for individualism and there is the emergence of the despot as the representative of collective authority. The first is reflected in the continued differentiation of the division of labour and the second in the spectre of personal power, autonomous of its rightful place in the group. The occupational grouping counterbalances these trends in society by playing the dual role of integrating the individual in society and of maintaining social equilibrium. In the one mechanism, therefore, Durkheim is able to transcend the level of the individual and establish an explanation of mass social action. He has established a link between his political and ethical thought by emphasising the correctness of representative democracy in the moral regulation of society. For industrial society the representative body is the occupational grouping. Expressly rejected, because they lead to a reinforcement of the individual ethos, are all forms of direct political action.

Durkheim's influence on the approach to work relationships is apparent in those writers who advocate a corporate type of organisation for industrial society. These proposals will be examined further in Chapter Three as workers' participation where the emphasis is on the development of democratic forms of work relationships. Even in the Durkheimian synthesis, however, the notion of corporations has attracted criticism. Smith (1974: 245), for example, disputes the assumption that the corporation is necessarily an integrated mechanism. Referring to Durkheim's premise that power can "condense" across equivalent social segments, he maintains that integration is a theoretical necessity brought about by the functionalist approach to social organisation:

Durkheim's functionalist predilections make him unable to see that such disturbing effects were generated by contemporary forms and articulations of corporate units within those societies, for example, trade unions, cartels, employers' associations, political parties, civil and military administrations, religious, educational, scientific and other property-holding bodies, all independently seeking to pursue and to protect their interests in an imperfectly regulated arena that mediated transactions of similar and differing values and kinds. None the less in advocating the deliberate creation of these intermediate corporations to mitigate the strains of industrial society, Durkheim implicitly admitted the inadequacy of his condensation hypothesis and its underlying general assumption of the functional determination of social structures, their development and integration.

(Smith, 1974: 246)

Smith further suggests that the study of the corporation should become a study in its own right instead of an adjunct to the functionalist approach. This is almost the same as suggesting that the study of the community should become an equally autonomous area of social investigation in relation to the elite-pluralist debate. If the approach to the corporation is based on the notion that power is an observable process, then there is a theoretical commitment to a particular interpretation of social organisation. By introducing Weberian sociology, it is possible to escape the functionalist commitment because power can then be examined on a number of different levels. Adopting Weber's approach to social organisation has distinct advantages for the analysis of power, but it also has implications for the convenience of structural determinism.

Power

While Marx liberated man from Hegelian alienation and promised freedom in the classless society, Weber promises no more than an "iron cage", that of society based on rational action. In Weberian sociology, there is no conception of freedom or of Utopian states of social inertia. Instead, society is undergoing the continuous process of change through

rationalisation which requires "limitation to specialised work, with a renunciation of the Faustian universality of man" (Weber, 1958: 180). What Weber is suggesting is that man must forego the perception of alienation and assume the positivist creed of contemporary society. Alienation in this sense is Hegelian; a perception of the metaphysical from which man can draw pain or pleasure. Since it is unattainable in physical reality, however, it has no place in anything but the art form of modern rational society.

Within the overall process of rationalisation, Weber distinguishes two separate developments. This is the distinction between formal and substantive rationality, which according to Giddens (1971: 183), is "focal to sociological analysis and ... critical in [Weber's] interpretation of the dilemmas faced by contemporary man". Formal rationality refers to the infiltration of scientific logic into every aspect of society. For the following analysis of work relationships, substantive rationality is more important. This refers to the construction of values, goals, and objectives in the formally rational system of social organisation. When substantive rationality is complete, there should be an ideal type of behaviour within the organisation, a type which can be subjected to investigation and proof. According to Freund (1966: 106), this proof is:

... true both of the agent who constructs the ideal type of subjectively meaningful means-and-end relationship and the probable course of events, and of the scientist who makes such a construct in order to clarify the subjective meaning of the agent or agents and to measure the gap between their actual conduct and their original intentions.

Recently, there has been an increasing literature which interprets the construction of ideal types of behaviour as an exercise of power. This differs from the usual pluralist interpretation of power which depends on a literal reading of Weber's definition in terms of actualities rather than potentialities. "The chance of a man or a number

of men to realise their own will in a communal action even against the resistance of others who are participating in the action" (Gerth and Mills, 1948: 180) is taken to mean that the realisation is an observable process related to the formal rationality of social organisation. As Clegg (1975: 64) suggests, "this is a special kind of power, 'legitimate' power, exercised in a specifically limited setting over a specifically given group of persons, concerning a specifically given content". There is very little, he considers, to be gained from the analysis of social interaction using this interpretation. Instead, he proposes a phenomenological approach with the intention of "penetrating the surface features of power" and arriving at an understanding of its "deep structure grammar" (Clegg, 1975: 73). His conclusion is that power can be treated in an analysis of interaction which is "a slice of me making my sense for other people of some conceptual and empirical problems as I have found them" (Clegg, 1975: 156).

Phenomenology is not without difficulties which are peculiar to that approach. In Clegg's analysis, there is no attempt to provide any validation or replication of results. Instead, the investigator must be content with the knowledge that this slice of Clegg is a valuable contribution based, as it is, on an unusually lucid perception of social reality. By comparison, the analysis developed by Lukes (1974) is less demanding although it is still concerned with escaping the elite-pluralist polarisation. Lukes considers his analysis to be a refinement of the second "face" of power proposed by Bachrach and Baratz (1963). This is the power of "non-decision making, i.e. the practice of limiting the scope of actual decision-making to 'safe' issues by manipulating the dominant community values, myths, and political institutions and procedures" (Bachrach and Baratz, 1963). What Bachrach and Baratz are aiming for is an analysis of power in relation to the

process of substantive rationalisation in the community, but according to Lukes (1974: 38), the aim is not achieved. Referring to the study of Baltimore blacks (Bachrach and Baratz, 1970), he suggests:

A deeper analysis would also concern itself with all the complex and subtle ways in which the inactivity of leaders and the sheer weight of institutions - political and educational - served for so long to keep the blacks out of Baltimore politics; and indeed for a long period kept them from even trying to get into it.

Lukes describes the face of power investigated by Bachrach and Baratz as the second "dimension", the first dimension being the pluralist conception of power. On the first dimension, power is exercised by A when binding decisions are made over B. On the second dimension, A exercises power by controlling the issues which are admitted to the agenda for decision-making. The first dimension is always an observable process, whereas the second dimension may escape observation if the same methods are used. This is because a decision may or may not be made to prevent the issue from reaching a point of decision-making. Power will be observable to the extent that decision-making will be noticeable in its absence in spite of behavioural responses in B. In addition, Lukes proposes a third dimension of power. At this level of analysis, the aim is to examine ways that "political systems prevent demands from becoming political issues or even from being made" (Lukes, 1974; 38). Power is exercised by A over B when "A affects B in a manner contrary to B's real interests" (Lukes, 1974: 34).

As an example of the third dimension of power, Lukes cites the study by Crenson (1971) of air pollution in the American cities of Gary and Indiana. Both towns were heavily industrialised, but in Gary, one company, U.S. Steel, dominated the city. The company maintained a policy of non-intervention in city politics, but over the years it had

developed a "reputation for power" based on its importance in the community as an employer. This reputation was interpreted by Crenson as influencing the real interest of Gary's residents, that of breathing clean air. He observed that Gary had an air-pollution problem which made it one of the most polluted cities in the country. Indiana had relatively clean air as well as a heterogeneous industrial structure. No single company in Indiana could be described as dominating the city. Crenson concludes that, for Gary, "dirty air" never became an issue because the residents never demanded action of the company to install expensive anti-pollution devices. If the demand had been made, the interest of health might have been realised, but the interest of employment might have suffered. However, the company made no statement to this effect. In fact, it made no statement at all regarding its position in the community or its evaluation of the pollution problem it created. In this case, "the mere reputation for power unsupported by any acts of power, is enough to inhibit the emergence of the dirty-air issue" (Crenson, 1971: 80).

The relationship of air pollution in Gary to the position of U.S. Steel is seen by Lukes as an example of the third dimension of power because A, the company, was able to influence the real interests of B, the residents. There are, however, a number of problems in the analysis, the most important being the definition of "real interests". In the case of the residents of Gary, it was entirely feasible to imply that their real interests were associated with the continuation of good health. It is also conceivable that, in other situations, interests might not be so easily identified. For example, if the exercise of power is entrenched in the cultural setting of the social interaction, interests might not emerge as an observable object of influence unless a comparison existed for their definition. One of the assumptions made

by Lukes, however, is that the exercise of power creates a certain behavioural response which is different to the behaviour that would be evidenced in the absence of the power. He describes this as the existence of a "relevant counterfactual" and amounts to a "radical conception" of interests compared with the liberal conception of the one dimensional view and the reformist conception of the two dimensional (Lukes, 1974: 35):

Sometimes, however, it is extraordinarily difficult to justify the relevant counterfactual. Can we always assume that the victims of injustice would, but for the exercise of power, strive for justice and equality? What about the cultural relativity of values? Is not such an assumption a form of ethnocentrism? (Lukes, 1974: 46)

Where the context of the study is that of work relationships, ethnocentrism would seem to be avoided if the interpretations of social reality provided by Marx or Durkheim are used to overcome cultural bias. In both, there is an acknowledged definition of workers' real interests and a set of assumptions regarding the counterfactual behaviour. In the case of Marx, the real interest is control of the mode of production while for Durkheim, it is participation in a morally regulated society through a system of representative democracy. The exercise of power by the owning class over the proletariat amounts to exploitation with the resulting behavioural effect of alienation. Similarly, the seizure of power by the despot, as an instance of amorality, leads to a disruption of the normative arrangement and the behavioural response of anomie. The use of determinist interpretations is in keeping with Lukes's (1974: 35) contention that the definition of interests is "an irreducibly evaluative notion" and that any view of power, therefore, "rests on some normatively specific conception of interests". However, there is still a problem in that the determinist assumption of workers' interests is evidenced by a future state of social evolution. Therefore, the analysis of power is

forced to proceed in an ad hoc fashion. Real interests are unobservable, but postulated in order to establish the presence of the dependent variable, power.

The question of interests could be resolved with a slight modification to the definition of power. Instead of a single interest, individuals and groups in society can be seen to have a range of interests including economic, political, religious, or physical. Associated with each interest will be certain forms of behaviour which are consistent with the attempted realisation of that particular interest. In any given instance of social interaction, some interests will be more relevant than others and, accordingly, some types of behaviour more appropriate than others. In any interaction, the irrelevant interests and the inappropriate behaviour do not necessarily disappear; they assume a lower order of priority and remain in the background until the nature of the interaction changes. In this way, the individual or the group can be described as a social entity instead of being treated exclusively as an economic, religious, or political entity. Alternately, if the context of the study is heavily biased by political events, for example, then the level of analysis might be reduced so that different interests are conceived of in terms of political alternatives. Thus a range of interests might be thought to include participation or control.

Power can be exercised over the individual or the group if the other party in the interaction is able to decide which interests will be realised in the interaction and which interests should remain as counterfactuals. This power is enhanced if the same party is also able to determine the extent to which the interest will be realised and the manner of realisation. In this case, the agent of power is similar to the experimenter who places a learned rat in a maze after it has been starved. In this environment, it is possible to control the priority of interests

and the extent to which they will be realised. In the analysis of work relationships, therefore, I will be adopting the following definition of power:

Power is the ability to determine which interests will be realised in an interaction, the extent and manner of realisation, and the fate of counterfactual interests.

In the human environment, identifying an exercise of power and the method of its mobilisation is more difficult. In Crenson's (1971) study of U.S. Steel, however, comparative analysis distinguished silence as the basis of an absolute form of power exercised by the company. The industry of Indiana was prone to making statements regarding the pollution problem and thereby helped in the development of a political issue. For the identification of this power, Crenson relied on an understanding of the historical development of Gary as a company town and the resulting "mobilisation of bias" which U.S. Steel could initiate through a framework of "sheer institutional weight" (Lukes, 1974: 50). Because this weight was such an obvious feature of social reality in Gary, Lukes (1974: 50) emphasises that the third dimension of power need not be a "featureless non-event". Even so, it can be far from an overt process since the parties, themselves, may not be aware that power is being exercised. Alternately, the party which is the object of power, B, may be led to believe that his interests and those of A are mutually compatible or even identical. The people of Gary may have considered it to be the combined interest of the company and themselves that they should be poisoned. Rather than risk unemployment where the company was forced to divert production capital into expensive pollution controls and risk closure.

The modifications to Lukes's analysis present further difficulties, but again, none that are insuperable. If a range of interests is considered to be more appropriate than structurally determined interests,

then it is necessary to impute an ordering in any given situation and to identify the factors which determine that order. This can be done by a methodological exercise with which the anthropologist is well acquainted. It is a matter of delineating value-systems, ideologies, and normative arrangements; identifying the agents responsible for the construction of ideal types of behaviour; and of estimating the social benefits to be derived from the resulting control of interaction. This is no more than an examination of the power which results from the substantive rationalisation of organisations. As a convenient point of departure from the community structure to the industrial, Selznick's theory of social organisation can be used to advantage.

What Selznick succeeded in producing from his study of the Tennessee Valley Authority (Selznick, 1966) was a general theory of organisation which went beyond the civil administration. It has relevance for the explanation of informal behaviour and of the creation of informal groups and goals within the formal organisation, whether civil or industrial. He started from a structural-functionalist tradition, but combined this with "the tradition of Karl Marx, Gaetano Mosca, Karl Mannheim, and many other critics of social myths and ideologies" (Selznick, 1966: 45). The combination of traditions meant that the study was not adopted by either side of the community power debate which started more than ten years after Selznick's observations in 1943. As a result, the study, and the theory of organisation, remained outside the mainstream of post-war American anthropology. As an organisational study it also failed to attract attention because it did not achieve the level of empirical analysis presented later by Blau (1959) and then Levine (1961).

Nevertheless, it is now possible to appreciate the importance of Selznick's study for events which were happening in post-War society, if

not for those in the contemporary sociology. If the industries of Japan and Germany were to be "democratised" by the Occupation Forces, the model had to be American industry. Considering the history of industrial conflict in American industry (see, for example, Derber, 1970), it is evident that the desire for democratic appearances was a political expedient far removed from the industrial reality of authoritarianism. The latter will be discussed further in Chapter Three as scientific management. What Selznick's study of civil administration had shown, however, was that a farming community could be reorganised on a scale which was unprecedented for a democratic state without infringing the value system of the wider society. Even though the administration had every appearance of pluralist organisation, Selznick (1966: 220) was able to identify an "inbuilt right-wing". The democratic appearance was made possible, he concluded, by the administrative elite's understanding of the connection between formal and informal organisation within the context of the Tennessee Valley.

This observation was in contrast to the prevailing assumption that the formal organisation was the only relevant system in sociological analysis. Elton Mayo had pointed to the presence of the informal, but failed to comprehend its importance. He thought that informal goals should be allowed to proliferate unchecked since no harm could possibly result. Selznick emphasised the inherent danger in this assumption for the organisational structure, suggesting that it was faced with disintegration unless both formal and informal goals were rigidly controlled. As he suggested, "I began with the premise that in administrative life, as elsewhere, what is unscrutinised is uncontrolled and what is uncontrolled is often very costly" (Selznick, 1966: xii). Eliminating the danger by controlling the informal goal does not necessarily mean that the informal goal or group organisation is

eliminated. Instead they can be used to further the attainment of the formal system and used as a means of achieving consensus. However, this calls for skillful administration:

These institutional rules and modes of informal cooperation are normally attempts by participants in the informal organisation to control the group relations which form the environment of organisational decisions. The informal patterns (such as cliques) arise spontaneously, are based on personal relationships, and are usually directed to the control of some specific situation. They may be generated anywhere in the hierarchy, often with deleterious consequences for the formal goals of the organisation, but they may also function to widen the available resources of executive control and thus contribute to rather than hinder the achievement of the stated objectives of the organisation.

In structuralist terms, therefore, the only function that the informal has for the elite is the service it performs in attaining the formal. For the individual, however, the function of informal behaviour is the very autonomy from formal control. Therefore, a divergence of interests is created in relation to goal attainment. The interest of administration is the harnessing of informal goals for the sake of attaining the formal while the interest of the individual is the separation of formal and informal. By realising the latter interest, the individual is able to tolerate life in the formal organisation since a degree of autonomy is maintained in an otherwise autocratic environment. Any offer to induce a surrender of this autonomy might be interpreted as an attempt to "buy-off" individual freedom. Instead, Selznick would consider it as part of the administrator's skill that situations are structured in which the individual voluntarily trades autonomy as part of the ongoing rationalisation of the organisation. He describes this trading as the process of "co-optation" through which the administration uses the "policy-making structure of the organisation as a means of averting threats to the stability of its existence" (Selznick, 1949). The inducement to trade can be a promise of power, but in a zero-sum situation, this should be a last resort:

Failure to reflect the true balance of power will necessitate a realistic adjustment to those centres of institutional strength which are in a position to strike organised blows and thus to enforce concrete demands. This issue may be met with a kind of cooptation which results in an actual sharing of power. However, the need for a sense of legitimacy may require an adjustment to the people in their undifferentiated aspect, in order that a feeling of acceptance may be developed. For this purpose, it may not be necessary actually to share power: the creation of a "front" or the open incorporation of accepted elements into the structure of an organisation may suffice. In this way, an aura of respectability will be gradually transferred from the coopted elements to the organisation as a whole, and at the same time, a vehicle of administrative accessibility may be established.

(Selznick, 1966: 260)

What Selznick is suggesting is that the traditional centres of power, the administrative elite, can deflect any threat to their position by manipulating the perception that members have of the formal organisation. This can be achieved where there is a deliberate attempt to include the informal goal as part of the formal organisation. If the informal goal is the usurpation of the elite, its incorporation would create a situation where the loss of power becomes a possibility. However, any loss which is incurred may be compensated by the greater control which results from the preceding co-optation. The loss can be even less in real terms if there is an ideology which supports the equation of power and position. In this case, individual autonomy is co-opted in return for position without the need to trade the power which might have been associated with the position's previous occupant. The result would be an outward display of pluralistic power sharing and a narrowing of the competition for the formal goal. Positions may have to be shared with some resulting discomfort with the reduction of social distance, but power remains intact.

Selznick traces the development of co-optation and the power of the administrative elite in the TVA through the "grass roots" policy which promoted the value of democratic participation. Part of the

process of formal rationalisation which the Authority instituted was the extension of participatory mechanisms in the form of voluntary associations. Through these associations, the citizens of the Valley were encouraged to participate in administration of formal policy. The belief expounded by the administration was that, somehow, these associations "plugged" into its decision-making process. The success of the programme meant that virtually every citizen in the Valley could be brought under the scrutiny of the administrative elite and every informal goal monitored. In doing so, the TVA established a pattern of administration which was adopted by civil authorities across the United States: that of "transforming an unorganised citizenry into a reliable instrument for the achievement of administrative goals" (Selznick, 1966: 220).

The instrument, however, was democratic. This aura was established by the grass roots policy and the ideology of participation in the administration of the organisation's policy. Systematically applied, the policy became a doctrine which filled the "ideological vacuum", the result of the disparity between democratic principles and political reality. "In the public mind, the meaning of the TVA was bound up with the values of planning and social responsibility" (Selznick, 1966: 53). In creating this doctrine, in establishing voluntary association, and in using existing local agencies for decision-making, the TVA had determined that the interest of the citizenry was participation in a democratically organised society. In addition, the administration had the power to influence that interest by determining the nature of participation and its extent. Participation in agricultural decision-making, for example, was restricted to "the end point of administration of the programme ... through county soil improvement associations set up in connection with the TVA fertilizer test-demonstration programme" (Selznick, 1966: 45).

Since it exercised control over the crops, the transport, the location of community centres, and a host of other factors, the TVA could also have decided, to some extent, the fate of counterfactuals.

Conclusion

From the Marxist and the Durkheimian interpretations of social organisation, it is possible to distinguish two separate theses regarding the nature of work in industrial society. In the Marxist thesis, alienation is a product of the structural arrangement of work in capitalist society and will persist as a condition of work relationships so long as the mode of production remains under private ownership. The Durkheimian thesis suggests that the division of labour in society, if it is made to function properly, will overcome the trend towards individualism and the behavioural effect of anomie. Each thesis has particular difficulties. The Marxist contains a basic antimony which confuses the level of analysis between that of the individual and that of the society. The Durkheimian requires an interpretation of political action which is based on an ethical preference for particular arrangements of democratic organisation.

It follows from each thesis that an aspect of work relationships is the exercise of power. For Marx, power is related to economic control of the mode of production and for Durkheim, it is a cement which condenses across social segments and holds them together. These interpretations fit readily into the analytic framework proposed by Lukes (1974) because each assumes a determinist notion of real interests. The worker can be seen to have the real interest of economic control over the mode of production or of a participatory role in a democratically organised society. The exercise of power by the ruling class or by the despot results in a denial of these interests.

I have proposed modifications to Lukes's framework so that interests can be discussed without referring to determinist interpretations. For any interaction between A and B, a potential range of interests can be introduced by B for realisation. Power is exercised by A when that party determines the interests of B which will be realised in the interaction, the extent and manner of realisation, and the fate of counterfactual interests. Both the determinist and modified forms of Lukes's analysis will be used to examine work relationships in industrial society.

CHAPTER THREE

SCIENCE, PARTICIPATION, AND CONTROL

Introduction

According to Walker (1970: 12), current thinking suggests that industrial democracy is a "necessary element in the prevention of alienation". The assumption is that once democracy is established as part of the social reality of industrial organisation, alienation is eliminated because the worker is able to realise interests which would otherwise be denied. From the previous chapter, it was seen that two interpretations of interests can be deduced from the Durkheimian and the Marxist approach to work in industrial society. Each gives rise to a set of expectations regarding the nature of the proposed democratic order. If the democracy is based on the Marxist interest of control of the mode of production, then a valid expectation would be classlessness in the industrial organisation. Similarly, if the Durkheimian interest of a properly functioning division of labour is the basis of industrial democracy, then the expectation is for a representative system of democratic organisation irrespective of inherent differences between the social segments. Since they are both ideal states, it is to be expected that the empirical situation might diverge from the analytic framework. However, as Walker (1970: 12) suggests, "the concepts of industrial democracy ... have in common a view of the worker as a political agent with interests which it is considered should be represented in the distribution of power".

If there has been one particular approach to work relationships which has been consistently recognised as denying these interests, it is scientific management. Consequently, this is the type of management

which is most often thought of when the subject of alienation in the workplace arises. As its founder, Frederick Taylor personifies a period in managerial ideology from the turn of this century to the 1950s which was preoccupied with the incorporation of rational, scientific logic. Where this ideology is referred to in the literature, it is often as a means of comparison for present trends in management. In this way, the humanitarian is contrasted with the authoritarian, the innovatory with the traditional, and the socially productive with the counter-productive.

I use scientific management for comparative purposes as well, but not in the sense of any evolutionary contrast. Instead, the intention is to examine work relationships according to the distinctions arising from the definition of power and the interpretation of interests noted in the previous chapter. Compared with the Marxist and the Durkheimian determinist interpretations, a range of managerial approaches to work relationships deals with a structuring of that relationship alone without reference to the wider society. These approaches are discussed here as scientific management and human management, the latter being expanded more fully in Chapter Four. The level of analysis on which they proceed is restricted to the structural arrangement of a particular unit of social interaction, work, and cannot be extended beyond that level without modification to the theoretical framework. Therefore, any interpretation in these approaches regarding the structure of the society as a whole must be treated with caution and considered in terms of the strength of the respective theoretical framework.

As a consequence of the level of analysis adopted in these approaches, the interpretation of interests cannot be derived from a reference to the societal level. Unless there were modifications to the theoretical framework, it would be impossible to validate the projected interest. Ideally, the identification of interests should proceed,

primarily, from observation of the unit of analysis which, in the case of the scientific management tradition, is the work relationship in society, not the society. There will be implications for the realisation of interests arising from the prevailing structural arrangement of the society, but these should enter the analysis as secondary considerations to be entertained in the event of theoretical modifications.

Scientific Management

In the principle of management which Frederick Taylor developed before the First World War, man was conspicuous only in that he worked for the industrial organisation. In his work, each man was an individual, severed of all connection with fellow workers and responsible to his immediate superior alone. His only motivation to work was the gratification of economic interests, all other interests being excluded. Connecting all of these individuals together was a system of authority which, ideally, recognised the existence of their interests. In his day, Taylor was a reformist because he thought that it was management's responsibility to guarantee the maximum realisation of economic interests by structuring the work relationship according to his principles. However, the intention was not altruistic. By gratifying economic interests, Taylor thought that the worker could be induced to return a higher level of productivity for the enterprise.

The application of his principles involved a rigorous analysis of the work being performed. Work was taken to be a unit of activity which was performed, with the aid of tools, by men who were paid an agreed amount of money. The aim was the satisfactory completion of a set number of tasks within a given period of time. The first part of the analysis was to define the task so that it was known to be within the mental and physical capacity of the worker. Screening and testing procedures were

used to ensure that only the right men were selected for the job. The second step was to time the movements involved in the performance of the task so that the least time-consuming routine could be established. When perfected, this analysis came to be described as the "time-and-motion" study. The design of tools was the next step in what became "human factors engineering". The aim there was to develop tools which were the most compatible for human movement.

The final step was to devise a system of payment for work performed. This system had to convert the unit of work to a monetary equivalent and, at the same time, make the final payment appear to be a total gratification of economic interests. Given the correct system of reward, the worker would perform the most obnoxious tasks consistently over any length of time in the most inhospitable of work environments. Taylor thought that this conclusion was supported by a number of experiments he conducted, one being at Bethlehem Steel Company. For one job, loading pig-iron, five hundred men were required. He changed the selection criteria so that "one of the first requirements for a man who is fit to handle pig-iron is that he shall be so stupid and so phlegmatic that he more nearly resemble an ox than any other type" (Taylor, 1947: vol2: 59). He then paid the men well above the ruling rate and subjected them to minute supervision. As a result, the work output increased fourfold and the manning level reduced to one hundred and forty. These men were paid sixty per cent more than the previous workforce, but since fewer were being paid, substantial savings on wages resulted. Furthermore, the higher wages probably created an elite within the workforce and legitimated management's expectation of continued output.

The interpretation of the division of labour which Taylor promoted was all that Marx had decried in capitalist society. It regarded the worker as an exploitable resource which would create capital if

manipulated with the aid of a monetary system and a false consciousness of economic betterment. It was also what Durkheim would have described as an abnormal form of the division of labour. According to Durkheim (1933: 372), "the division of labour presumes that the worker, far from being hemmed in by his task, does not lose sight of his collaborators, that he acts upon them and reacts to them". In Taylor's scheme, any notion of a grand perspective would have been inappropriate. For the worker, behaviour was governed by an outlook which was restricted to a minute section of the total production process, a restriction which was presumed to complement the prevailing morality of unenlightened self-gratification. According to Burns (1969: 327):

Taylor rejected any sort of collective incentive such as participation or cooperation in profits. He affirmed and dogmatically repeated that the basis of human nature is personal interest and refused to recognise in the worker anything but strictly individualistic motives. The guiding threat in Taylor's attitude was precisely the wish to isolate the worker and separate him from his comrades.

The logic of isolation was contained in Taylor's "science". He realised that within the employer-employee relationship, work was not inherently attractive. As he suggested, "the workmen believe it to be directly against their interests to give their employers their best initiative and ... they deliberately work as slowly as they dare while at the same time, try to make those over them believe they are working fast" (Taylor, cited by Vroom, 1970: 297). Instead of rejecting this relationship, Taylor advocated its refinement. Management should be provided with a basis of legal authority depending on a system of rules, laws, and formulae which are systematically indexed and recorded. The authority is exercised through a strict hierarchy of superiors and subordinates corresponding to the capacity of the subordinate to perform specialised work. That is, each level of the hierarchy had special tasks assigned to it. If the worker was capable, he could logically

aspire to manage the entire operation, but generally the workers worked and management managed. The emphasis on specialisation created a strict division between management and the worker, between white collar and blue collar, and between thinking and doing:

Thus all of the planning which under the old system was done by the workman as a result of his personal experience, must of necessity under the new system be done by management in accordance with the laws of science; because even if the workman was well suited to the development and use of scientific data, it would be impossible for him to work at his machine and at his desk at the same time. It is also clear that in most cases, one type of man is needed to plan ahead and an entirely different type to execute the work.

(Taylor, cited by Vroom 1970: 296)

In spite of this difference, and characteristic of his paternalism, Taylor thought that the worker, management, and the owners of an enterprise were united in a common battle against the enemy of low productivity. The "peace" which everyone sought was a state of prosperity for all, a Utopia where the interest of financial gratification would be realised in full. Although, ultimately, the realisation of this interest might vary according to one's position on the employer-employee spectrum, any difference was a result of individual motivation, not Taylor's principles. For example, the worker might lose his particular battle by "soldiering". Restricting output was interpreted by Taylor (cited by Vroom 1970: 300) as the failure of "grown up children" to grasp the opportunity made available by management for the realisation of interests. It was a narrow interpretation of man in industrial society, but one which was supported by the Protestant Ethic and by a free-enterprise economy which treated labour as simply another item in the market-place.

The effect was to create an impervious elite in management. This elite could decide the most minute detail of the work environment such as the shape of a shovel or the timing of rest pauses. The intention

was to ensure the maximum realisation of economic interests, but, in essence, the control amounted to an exercise of power which was both total and all-pervasive. The mobilisation of this power depended on the notion that the "right" worker could be induced to increase output by increasing remuneration. Therefore, it was essential that management should have the right to control the process of selection and the rate of payment. In pre-union America, this was possible. A number of wage systems were devised, each assuming that payment would be for the performance of a set number of tasks in a given time and at a set level of quality. Management could alter the number of tasks required, the rate of pay per unit, and the criteria of rejection.

Whatever the merits of Taylor's theoretical framework, he exceeded its level of analysis by promoting a type of social messianism based on the universal application of his principles. This would lead to a great "revolution in mental attitudes" whereby both management and the worker "take their eyes off the division of surplus as the all important matter, and together turn their attention toward increasing the size of the surplus until this surplus becomes so large that it is unnecessary to quarrel over how it shall be divided ... when they substitute friendly co-operation and mutual helpfulness for antagonism and strife, they are able to make the surplus so enormously greater than it was in the past that there is ample room for a large increase in wages for the workmen and an equally great increase in profits for the manufacturer" (Taylor, 1947: vol 3: 30).

These promises may not have had any valid theoretical basis, but they helped to advance scientific management as a legitimate method of exercising power in the industrial organisation, given Taylor's genuine concern for reform. Although this concern was a product of the period immediately following the industrial revolution in America, the system

of management which he proposed continued to have widespread application beyond his time. By 1940, Baritz (1960: 30) maintains that over 90 per cent of American industry had copied the scientific management blueprint of industrial organisation. As late as 1958, the British Institute of Management found that a basic assumption of educators was that questioning Taylor "was to strike at the very roots of all that has been done and is being done in the field of management education" (Woodward, 1965: 246).

In America and Europe, at least, there appears to have been no formal objection from either management or the workers regarding Taylor's theory or philosophy. As Leavitt (1962: 92) suggests, what little resistance emerged was not "unsurmountable or economically intolerable. And partly with the naive help of the social scientist ... has often been eased with psychological palliatives". One aspect of potential discord in scientific management was the acceptance of wage fixation as a managerial prerogative. The introduction of minimum wage laws threatened to remove this prerogative although there was room for manoeuvre in the payment system proposed by Gantt (1901). Gantt suggested that all workers should be paid a minimum wage if they failed to reach standard. No doubt this wage was very low because a bonus system also operated which progressively rewarded the worker for reaching and then passing the standard. It was a minor variation, but it allowed scientific management to survive the developments in American labour legislation.

The situation in Australia was markedly different. Possibly because wage determination was already a responsibility of the legal system, or because of the strength of the labour movement, the whole notion of incentives was rejected by key trade unions. According to Sheridan (1975: 54), it was thought by the Amalgamated Engineers'

Union (now the Amalgamated Metal Workers' Union) in particular that "their introduction might lead to the redundancy of some workers, and, above all, that the members' bargaining position might be weakened". The union conducted long strikes opposing the introduction of bonus schemes above the minimum wage. For example, in 1956, the union conducted an eighteen week strike at Bradford Kendall Ltd. over the proposal by the company to introduce a scheme for higher wages linked to productivity.

In spite of their objection to the actual mechanics of scientific management, there was little that the Australian union could do to avoid the equivalent of the time-and-motion study. There is no evidence to suggest that the founders of the arbitration system in Australia drew directly from the writings of Taylor or his followers, but there are parallels. In its approach to work relationships, the arbitration system ensures that economic interests are made to prevail while other interests, for example, so-called "political" interests, are legally excluded. In wage determination, units of work were as closely analysed in work-value cases as they would be in any time-and-motion study. Skill is rewarded by a higher wage, dangerous work is compensated by more money, and years of employment converted to "long-service" payments. Furthermore, the system promotes a work relationship which gives legal support to the notion that management has prerogative over all decisions except those relating to the minimum wage.

From the vantage point of contemporary analysis, it now seems surprising that scientific management continued to prosper beyond the Second World War, at the latest. After all, it failed to encompass the developments which occurred in the labour movement and in the joint stock company. It would be incongruous, especially in the Australian context, to think that trade unions could be conveniently ignored.

Similarly, the emergence of a professional management cadre, distinct from ownerships, has created a debate in the sociological literature regarding the respective strength of power which can be exercised by each party. Pahl and Winkler (1974: 115) have described this as the distinction between the allocative control over capital exercised by ownership as opposed to the operational control exercised by management.

Traditionally, ownership in the capitalist system has been able to exercise allocative control based on the legal right to withdraw capital from an enterprise. As a counter to this, management has developed operational control over capital by converting earnings into floating reserves within the company instead of being dispersed to the owners. These reserves supposedly reduce management's dependence on ownership for funding and dampen the threat to withdraw capital. No doubt operational control exists in spite of prohibitive legislation regarding the distribution of profits, but as Pahl and Winkler (1974: 116) suggest, the importance of this form of control has been greatly overemphasised. In addition, new forms of ownership and of allocative control have not been understood:

The combined result of these two mistakes was that sociologists continued, right into the 1970's to conceive of shareholders as weak relative to managers. Whatever the merits of this analysis in the past, it is no longer tenable today. The reason is that some capitalists adapted to the situation, particularly the builders of conglomerates and the asset strippers ... the significance for the study of elites is that they have capitalised in both senses of the word, on the remaining unalienable right of owners, the right of transfer, which is to say, the right to allocate or withdraw capital.

In the contemporary industrial organisation, therefore, it is possible to identify four analytically separate parties. They are the workers, trade unions, management, and the owners. Potentially, each party could introduce a separate range of interests to the work relationship. As a result, the analysis of power becomes far more complicated than originally intended. In Lukes's conceptualisation,

there are only two parties, A and B, and a unilinear flow of influence, that is, A to B. Even with the modifications which were suggested for the definition of power, it is possible to conceive of an interaction of power in which B is also seen to influence A. Each aspect of the interaction could be examined in isolation and then the results juxtaposed. This would mean that first the power of A would be considered in terms of the ability to determine which interests of B would be admitted to the interaction and then the same for B in relation to A.

If there are more than two parties, however, the empirical situation could go beyond the scope of analytic framework. No matter how many parties there are, the identification of interests might be relatively simple, but different permutations of influence can arise. For example, in an interaction involving A, B, and C, A's interests might be influenced in one way by B, but in a different way when B and C act in concert. In the industrial context, it is possible to overcome this difficulty by introducing a check on the proliferation of parties. This can be based on the assumption that between the four parties, there will be a sharing of interests which permits the formation of two analytic categories. This is in keeping with the theoretical assumption that there is a continuous polarisation of "social reality in terms of a dichotomic scheme" (Ossowski, 1963: 38). If necessary, the focus of inquiry can then turn to what Ossowski (1963: 38) describes as the "quarrels within the family", that is, the divergence of interests within these two parties.

As the practice of scientific management developed into a systematic basis for the exercise of power in the industrial context, it complemented similar developments in the field of civil administration. As Leavitt (1970: 369) suggests, Taylor's principles may have receded into the background, but the general technological approach to the

analysis of organisations remains. Eldridge (1971: 25) describes this approach collectively as "systems analysis" and relates it to the foundations of American structural-functionalism personified by Talcott Parsons. Recent works in this tradition have been those by Millar and Form (1964) and Schneider (1969). The effect of systems analysis is that the worker comes to be regarded as no more than a functional unit within the structure of the organisation. The function can be disrupted by structural defects which create disequilibrium. Whereas Taylor would have considered the design of tools or the system of payment to be the structural defect, the trend which Elton Mayo started was to examine physiological and social "problems" as they relate to disequilibrium on the shop floor. Thus Eldridge (1971: 25) describes Management and the Worker (Roethlisberger and Dickson, 1966) as "one of the earliest examples of systems analysis". For the present study, I have kept scientific management separate from these latter developments which are discussed as "human management".

Human Management

The generic name of human management is used here to distinguish a range of approaches to work relationships which differ from scientific management in the particular aura they create for the industrial organisation. Mayo's experiments at Hawthorne questioned the assumption that a realisation of financial interests necessarily led to increased productivity and profitability or greater co-operation amongst workers. Mayo still treated workers with a Taylorist disdain, but what grew from his experiments was an appreciation of the relationship between the individual ox and the herd. The movement which developed came to be described as "human relations" because it emphasised the importance of informal social organisation in the work environment. This was the

relationship between individual workers which was anathema to scientific management and the object of systematic elimination. What the human relations movement suggested was that through an understanding of the internal dynamics of the informal work group, managerial power could be enhanced rather than limited.

According to Burns (1969: 329), the human relations movement starting with Mayo developed a concern for social technology and managerial ideology which dominated the study of work up to 1950. In addition, he considers, later developments made a considerable advance on the empirical analysis of the Hawthorne approach. Amongst these developments he includes the study by Trist and Bamworth (1951) on coal mining, a study which is described by Bucklow (1976) as one of the foundation works of the Tavistock school in England. Burns (1969: 330) suggests that the most significant difference between these types of studies and the human relations approach is "a clearer understanding of ... constraints implicit in the nature of work itself and from the power structure which seems intrinsic to the organisation of industrial activity".

Others would disagree. For example, Miles (1965: 5) suggests that these later developments are evidence of a "dramatic departure from traditional concepts of management" including human relations and describes it as a separate movement, "human resources". The dramatic quality of this departure rests in the approach of the manager whereby "his primary task becomes that of creating an environment in which the total resources of his department could be utilised" (Miles, 1965: 5). Using the proposed theoretical framework for power, the extent and nature of this departure will be examined in Chapter Four. Before proceeding, however, work relationships will be examined in relation to the Durkheimian and Marxist theses discussed earlier.

Workers' Participation and Workers' Control

The term "workers' control" is commonly used to cover two quite distinct concepts. One maintains that control over production signifies the management of industries by the workers, and usually appears in discussions as an attempt to outline an ideal norm of administration for socialised industries ... But another tradition has evolved a quite different concept which speaks of "workers control" in those contexts where militant trade unions have been able to wrest some, or most, of the prerogatives of management from the unilateral disposition of managers ... It is misleading to use the same term to speak of two such different conditions. To do so implies an unbroken continuity of democratic advance stretched between the imposition of a trade union veto on dismissals and the ultimate overcoming of capitalist property relations.

(Coates, 1975: 90)

From the discussion of alienation in the preceding chapter, two distinct interpretations of workers' interests emerged from the Durkheimian and Marxist approaches to work relationships. These interpretations were related to the structure of existing capitalist, industrial society, the implication being that workers' interests would be realised with appropriate structural alteration. The interest of every member of the division of labour will be realised with a clearly defined participatory role in a pluralistically organised society. Economic control of the mode of production will be realised in the classless society. These statements contain the relevant assumptions regarding power and are described here as workers' participation and workers' control, respectively. This is not to imply clear-cut categories in the empirical situation. Rather, situations described in the literature as examples of participation or control conform to the relevant set of expectations derived from either the Durkheimian or the Marxist model of industrial organisation. Using Lukes's analysis, the relationship between each of these models and the empirical situation will be examined.

Workers' Participation

There is an immediate problem of definition whenever workers are described as having participated in the industrial organisation. To have participated implies some degree of choice for the worker, but even in the most rigid of organisations, the individual can be said to have participated by virtue of being present in the work environment.

McGregor (1960: 124) has sought to qualify the notion of participation by distinguishing between "meaningful" and "meaningless" decision-making. A meaningful decision indicates real participation in that "subordinates gain greater control and greater freedom of choice with respect to their own responsibilities". As Pateman (1970: 68) suggests, McGregor has constructed a continuum along which situations of participation range from a little to a lot. However, he has not provided a definition of participation.

Intending to clarify the term, Pateman uses the definition advanced by French et al. (1960: 3). According to this definition, participation refers to the process in which "two or more parties influence each other in making plans, policies, or decisions". Meaningfulness of participation, a concept which Pateman retains, depends on the extent to which influence is observed to flow from the subordinate to the superior. "Partial participation" exists where "two or more parties influence each other in the making of decisions, but the final power to decide rests with one party only" (Pateman, 1970: 70). "Full participation" is where "each individual member of a decision-making body has equal power to determine the outcome of decisions" (Pateman, 1970: 71). The notion of full participation is related to a particular interpretation of democratic organisation which Pateman (1970: 42) defines as the "participatory" approach as opposed to the "contemporary":

In the contemporary theory of democracy, it is the participation of the minority elite that is crucial and the non-participation of the apathetic, ordinary man lacking in feeling of political efficacy, that is regarded as the main bulwark against instability.

(Pateman, 1970: 104)

By contrast, the participatory theory assumes that the social structure can be altered to allow full participation by every member of the society. In the industrial context, this means that industrial democracy will be a social reality only when it is possible for every member of the organisation to have equal decision-making power on some decision-making body. Working on this assumption, Pateman (1970: 106) examines a range of industrial situations and concludes that "there is very little in the empirical evidence on which to base the assertion that industrial democracy, full high level participation, is impossible". This is connected with the notion that "only a relatively minor modification of existing authority structures ... may be necessary for the development of a sense of political efficacy" (Pateman, 1970: 106). Apparently anything more than mere efficacy is difficult, but not impossible:

If the authority structure of industry is to be a real parallel to that of the national political system, then the "government" must be elected by, and removed by, the whole body of employees in each enterprise, or alternately, for a direct democratic system, the whole body of employees must take the management decisions. In either case, whether the representative system was representative or direct, it would mean that the present distinction between management permanently in office, and the men, permanently subordinates, was abolished. Where the whole body of employees took the decisions, then the management would merely be men in a different capacity.

(Pateman, 1970: 72)

Other writers such as Schregle (1970: 122) interpret the creation of any meaningful participation as involving "fundamental changes in the structure of industry". In capitalist society, these changes constitute a threat to the owning class because they introduce situations where the interests of that class are jeopardised. This

is evident in the West German type of participation, co-determination. What Pateman would describe as a representative form of industrial democracy became a legal entity after the First World War when it was mandatory to have participation by workers on the company board. With the Works Council Act of 1920, provision was made for the election of a works council in every company with twenty employees or more. These councils failed, but were revived after the Second World War. According to Poole (1975: 135), they now have a "wide range of general and social functions". In spite of their importance, these functions are still limited:

... they can conclude plant agreements, supervise the implementation of laws and decrees, take up employer's grievances, and participate in such matters as working schedules and rest periods, holiday schemes, accident prevention, piecework rates, and a great many social issues of that kind.

(Poole, 1975: 135)

In West Germany, after the war, there developed a second "tier" of participation as a result of the particular bargaining strength which the trade union movement enjoyed with the Occupation Forces. New legislation was introduced which made participation by workers' representatives at board level a legal requirement. According to Robbins (1972: 432), workers' representatives accounted for half of the board members in the coal, iron, and steel industries and one third in other industries at the time of his writing. Board members representing labour are appointed by a works council or by the trade union and have voting rights equivalent to other board members. Garson (1975: 165) suggests that the co-determination rights of the works councils mean that, in essence, management decisions in certain areas are not binding until approved by the works council by way of the labour director on the board.

The board in the co-determination form resembles the occupational group described by Durkheim (1933). There are representatives of labour and of the owners who meet as a body in order to disseminate information throughout the hierarchy. However, they meet as the representatives of different interests in recognition of the distinction between employer and employee or owner and worker. In the discussion of co-determination, a debate has arisen in regard to the ability of the labour director to satisfactorily represent the workers' interests in the environment of the board-room. The role of workers' representatives in British nationalised industries led Coates and Topham (1974: 58) to consider that there had been "no effect in increasing the influence of the shop floor on the decisions of those boards". Daniel and McGregor (1972: 148) suggests that the constraints of power imposed on the labour director by private ownership and the market economy creates a basic conflict. It is impossible to resolve this conflict unless the interests of the worker suffer. The only benefit to be derived from co-determination, they suggest, is "bringing a new perspective to bear on board deliberations and crowning and symbolising a commitment to worker involvement in decision-making" (Daniel and McGregor, 1972: 148).

Changes to the West German legislation in 1972 have been interpreted by other writers as introducing a new era of workers' participation in that country. The legislation strengthened the position of the labour director and extended the area of decision-making over which the works council exercises right of veto. According to Garson (1975: 164), the council now has the right to decide recruitment, deployment, dismissals, and transfers. They can demand to examine personnel records and to discuss financial matters such as investment proposals. Hartman (1970) predicted, and Garson supports the view, that it would be wrong to underestimate the importance of these changes in legislation for the

development of workers' power in the West German industrial organisation.

As Hartman (1970: 140) suggests:

These new labour directors will have responsibility for a broad range of personnel and social problems. By contrast to former labour directors, who often relied on their own resources, this particular group will build on an elaborate system of staff support. Even more important for union influence, these labour directors may also win jurisdiction over management ranks. Instead of being subject to special personnel officers outside union control, members of management may not become subject to powerful labour directors.

Some writers consider that, in spite of legislation, the net gain to the worker from this type of participation is negligible. For example, Schauer (1973: 217) considers that the professionalisation of workers' representatives means that they become "isolated and removed from the collective will of the workers". Just as logically, it might be suggested that the interests of the worker are more likely to be realised if full time officials are retained solely for that task. After all, the owners of the enterprise assume that it is possible to realise their interests by structuring the board in a particular way. To head the board in times of financial difficulty a director with an accounting background might be sought while in times of expansion, one with a marketing background. Periods of a company's history are described in terms of the particular strengths and weaknesses which develop in different areas of the board. For example, a period of expansion under the control of the marketing area might be described as a particularly good one for the interests of the shareholders.

What the co-determination legislation has done is to introduce a new area to be reckoned with in the composition of the German board. Applying the same rationale as for other compositions, it could be said that certain configurations are particularly favorable for the realisation of workers' interests. This would be the case if a strong labour director in control of the board was able to ensure the

representation of workers and realise the interest of participation. In this way, the interest of ownership could be influenced according to the ownership-control debate. That is, the workers could seek to exercise power over ownership by seeking operational control over capital. As Pahl and Winkler (1974: 116) suggest, however, operational control can be overestimated if new forms of ownership are not recognised. According to Poole (1975: 148):

A major deficiency of co-determination as conceived within West Germany is that powers of trade unions at supra-company level are somewhat limited and they therefore have had little impact on the wave of mergers in the coal and steel industries.

Co-determination presents difficulties for the analytic framework because management, as a party, could oscillate between the polar groupings depending on the composition of the Board. Once attached to either of the groupings, the analysis can proceed, but any observations are necessarily selective. Within these limits, the framework is capable of raising doubts regarding Pateman's conclusions for industrial democracy. It would seem that while ownership remains part of the social reality of capitalist society, there will be areas of decision-making which are denied access by a power elite. It is possible to speak of power in this case because the restriction amounts to influence over the workers' real interests, that is "full participation" (Pateman, 1970: 68). Therefore, the contemporary theory of democracy should be accepted, presuming that the West German case is an example of industrial democracy. The fact that it is rejected indicates that there must be further qualification to the context in which participation becomes meaningful. Workers' control will now be examined to consider whether this qualification is related to the socialisation of the mode of production.

Workers' Control

The definition of control is as difficult as that of participation. Using the example of scientific management again, the worker in such an organisation can be said to have exercised control if labour is withdrawn or restricted. Compared with this level of action, the Marxist interpretation of control is more universal, however much its explanation might depend on the collective strength of individual action. The proletariat as a class exercises control when the mode of production is socialised, when ownership is wrested from the bourgeoisie. Individual perception is altered and the class as a whole assumes a revolutionary consciousness. With the realisation of proletarian interest and the defeat of bourgeois interest, there is a zero-sum redistribution of power. That is, the realisation of B's interests has influenced the realisation of A's interests to the extent that A's interests no longer exist because the party has ceased to exist.

In the empirical situation, this form of social organisation is often thought to be crystallising in capitalist society. For example, writers such as Coates and Topham (1974: 118 ff) describe a range of work situations in England which they consider to be indicative of "workers' control at the industry level". These range from the temporary seizure of private property by militant trade unionists as in the case of the Clyde shipyard workers, to an abortive strike by postal workers over promises of participation which came to nothing. They also see possibilities in those enterprises which belong to the Society for the Democratic Integration of Industry: The Scott Bader Commonwealth, Rowen Engineering, and Landsmans Caravans (Coates and Topham, 1974: 74).

Like small islands in a sea of capitalism, these latter examples of workers' control are similar to developments such as Mondragon in Spain and Histradut in Israel, but on a smaller scale. Each has instituted a system of share ownership through which the workers in the enterprise are considered to be part owners. This is far from owning the mode of production and, according to Oakshott (1975: 292) even at the level of the enterprise, ownership is intended in the sense of participation in profits, "a sense which is separate from control". From a report by Rosenstein (1970), it appears that co-owners of Histradut have expressed discontent over this interpretation of ownership and the distinctions which it creates within the organisation. Within Mondragon, for example, there is a distinction between the workers as owners and the Catholic Church as ultimate controllers through the founding Jesuits of the Basque Province.

For socialist societies, writers such as Coates and Topham (1974) and Vanek (1975) regard the Yugoslav system of industrial organisation as leading the movement of workers' control or "self-management". The Marxist antimony between collective and individual is contained in the notion of self-management which is used to equate a democratic polity with a socialist economy. The idea is that in the true socialist economy, all forms of state organisation wither away, allowing the individual to "self-manage". Thus, Pateman uses the Yugoslav situation as an example of the emergence of participatory democracy in industry. However, there is still a divergence between the theoretical expectation based on the Marxist model of organisation and empirical reality. The Yugoslav enterprise is governed by a council which is elected by employees through a system of electoral units. By collegiate voting, the elected council nominates a Managing Board which, in turn, elects a director. As Pateman admits, the collegium is "omnipotent" within the enterprise:

Most suggestions appear to come from the Director and the Collegium and these are rarely rejected and they also seem to do most of the talking. This applies particularly when the more important and technical topics are discussed (e.g. production plans); it is only when lower level matters are discussed - particularly the issue of the allocation of housing that Yugoslav enterprises provide for workers - that the rank and file council members participate to any extent, or take notes, and it is on these issues that really vigorous debate occurs.

(Pateman, 1970: 96)

Kavcic, et al. (1971) conducted a reputational survey on different Yugoslav enterprises to rate the degree of control exercised by various job classifications. The results reflected a low degree of control exercised by unskilled labour and a high degree of control by managers. The conclusion was that "the council, by itself, may not have the far reaching effects that many advocates believe" (Kavcic, et al., 1971: 85). In addition, the managers of an enterprise studied by Kolaja (1965: 71) were described as being capable of exerting enough influence on the Council to ensure the realisation of their objectives and, presumably, interests. After an examination of the 1966 elections of Directors, Adizes (1971: 204) notes that of the 353 elections in industry, eighty per cent of the old directors were re-elected. One of the reasons he advances is that, "the directors had succeeded in creating an informal power position in the company which enabled them to manipulate the desired job definition in a manner that qualified only themselves for the job".

What emerges from the literature on the Yugoslav enterprise, therefore, is the impression of a divergence of interests between management and the worker. It might be objected that the separate development of interests by management is merely a transitional problem in the evolution of the truly democratic organisation and that its importance is over-emphasised. After all, the mode of production is socialised. However, further examination of the literature reveals the

existence of yet another party with potentially divergent interests. In the Yugoslav economy, this party would be equivalent to the owner of capital, although there is no sense of ownership as such. Instead, there is a proliferation of allocative control throughout the economy resting with institutions, other enterprises, groups of citizens, and even individuals.

Funds are made available to the Yugoslav enterprise by way of the state banking system. They can be directed from the bank's reserves for industrial development or from other enterprises with surplus investment funds. The working capital is directed to an interim board consisting of the founders of the enterprise, these being any group of citizens, another enterprise, or the bank. According to Vanek (1970: 264), the capital is "an essential part of the enterprise, but only as a sleeping partner with no active rights or duties". Once the new enterprise is functioning, it is commissioned to a formally constituted council and, thereby, to the workers of the enterprise. The founding investors, after a period of time, withdraw all management and production rights, but they retain two distinct rights in association with invested capital. One is the right to an interest rate on the initial investment of capital ranging from 4.5 per cent to 10 per cent depending on the terms of the lender. The other is the right to recall capital.

Although, as Vanek (1970: 268) notes, the call on capital is open to court challenge, the very existence of the right would seem to give the sleeping partner a potential for activity. In addition to allocative control, it is possible that, with the position of the manager in the enterprise, there is an equivalent of operational control. According to Adizes (1971: 226) capital is available on a market system in which founders of enterprises must bid according to the usual laws of supply-demand. There has been a continuing debate over the economic behaviour

of the Yugoslav enterprise, but as Milenkovitch (1975: 428) suggests, the notion that the rational enterprise would seek to maximise income per worker is one which has been disputed even within Yugoslavia. He cites writers who consider that "this behaviour might be undesirable for resource allocation".

If the decision to allocate capital is related to the market, it must be assumed that some enterprises are more capable of attracting funds than others. The problem is to determine the factors which would influence an investor in the decision to allocate capital. Considering the investor to be rational, an enterprise which maximised returns to the workers instead of to capital would be treated as a poor risk in the event of a downturn in the economy. In this case, investments might be diverted to an enterprise which emphasised, perhaps informally, the maximisation of return to capital rather than to workers. This conclusion would be affected by a greater supply of funding capital in a market which was a closed system. This would mean that every enterprise would receive capital irrespective of behaviour because investors would be forced to invest.

Certainly, conditions in Yugoslavia have been conducive to investment because as Vanek (1975: 28) notes, the rate of growth has been the highest in the world for a period of fourteen years. Furthermore, Coates and Topham (1974: 242) note that there is no apparent investment out of the economic system in spite of investment into it by other countries both socialist and capitalist. Unfortunately, they miss the point when they suggest that this is evidence of a combined effort of the Central Intelligence Agency and western capitalism to undermine the Yugoslav system. Rather, it is proof that, at least in stable conditions, the behaviour of maximising returns to workers, if it exists, is not an economically intolerable one for investors with the alternative of western capitalism.

In this thesis, it must remain a matter of conjecture why western capitalists would not object to the organisation of the Yugoslav enterprise. Perhaps economic growth has been so stable in the country that a conflict of interests has never arisen. Alternately, the behaviour of maximising returns to the worker does not exist, in which case it is difficult to understand the attention that the Yugoslav enterprise has received; or else it is modified, informally. Any informal action would devolve on the managerial elite, their intention being to attract capital by altering the interests of the workers. In the Yugoslav enterprise, this means that management is seeking operational control over capital by influencing the interests of the owners of the enterprise, the workers.

On a broader scale, operational control could also be exercised by the bureaucracy, informally, by threatening to invoke formal control over the Council. Vanek (1975: 265) suggests that formal control is exercised by the bureaucracy where there is a failure to comply with legal provisions in the conduct of the enterprise. Management is liable to penalty, the council can be dissolved, or a receiver appointed. It is also conjecture in this thesis whether the bureaucracy actually uses these formal measures to influence the interests of the workers, but at least in Czechoslovakia this strategy appears to have been adopted. The exercise of power in this sense had led Vitack (1975: 228) to question the notion that workers' control will necessarily be successful if the mode of production is socialised:

[In Czechoslovakia] the workers' control movement emerged in the special circumstances of a country where the relations of production were entirely non-capitalist, but where owing to the bureaucratic barriers that were holding back an advance to fully socialist relations, there was a tragic wastage of human potential.

Using Lukes's analysis, serious doubts arise regarding Pateman's (1970) contention that there is little evidence to show that true industrial democracy is an impossibility. Even where the mode of production is socialised, as in Yugoslavia, participation at some level of the organisation is meaningless, by definition. Pateman (1970: 94) appears to acknowledge this fact by suggesting that "there seems to be no good reason to suppose that, at any rate some, workers' councils cannot control their own affairs". From the perspective of the third dimension, the observer is led to question this conclusion and seek definition of the extent to which councils can be said to control. This line of inquiry would lead to a more complex arrangement of power than the one dimensional view would reveal.

Instead of following this line of inquiry, Pateman resorts to a teleological argument whereby the Yugoslav enterprise is interpreted as part of the evolutionary process. The end of this particular development is yet another Utopia, that of the "participatory society". In such a society, "all political systems have been democratised and socialisation through participation can take place in all areas" (Pateman, 1970: 43). Given the basic premise regarding the nature of democracy, it is possible for Pateman to conclude that in such a society, industrial democracy is a distinct possibility. The validity of the conclusion depends on the extent to which the observer is willing to accept the tautology involved in the argument.

Conclusion

If the establishment of an industrial democracy is a necessary element in the prevention of alienation as Walker (1970) suggests, then it would seem that the condition must be accepted as an inescapable

aspect of work relationships, at least for the contemporary notion of work. Irrespective of the prevailing structure of the economy, elite minorities can always emerge in the industrial organisation and influence the interests of the workers. Since pluralism is impossible, democracy in the full participatory sense can be no more than a theoretical model of industrial organisation. In the empirical situation, as Weber (1958; 181) suggests, "limitation to specialised work, with a renunciation of the Faustian universality of men which it involves, is a condition of any valuable work in the modern world".

If there is a commitment to the idea of an industrial democracy, then it is always possible to use the theoretical framework as a stage in the evolution of industrial organisation. The contemporary situation is then treated as being no more than a lower order in the evolutionary scale. From the Weberian viewpoint, the procedure is questionable, but it has the appearances of validity if the Utopia of a participatory society, for example, is compared with the type of social organisation advocated by Taylor. Contemporary industrial organisation then appears to have evolved from the autocratic into a closer approximation of the participatory. The problem is that this scale of events confuses two levels of analysis. Marx and Durkheim propose a theoretical framework which can accommodate the level of analysis appropriate for the discussion of social utopias. In scientific management, any attempt to discuss rational society has the appearance of social messianism. What is being compared is a system of work relationships and a system of social organisation. From the latter it is possible to deduce the system of work relationships which would fit the model. From the former, however, it is not possible to abstract the social order which would allow the particular relationships to exist. This distinction in the levels of analysis will be maintained in the following discussion of human management.

CHAPTER FOUR

HUMAN MANAGEMENT

Introduction

In the previous chapter, human management was introduced as a generic name for a range of management approaches starting with Elton Mayo and human relations. Included in this range is the work of the Tavistock Institute in England which Miles (1965) would describe as "human resources". The basis for this distinction rests on the assumption that human resources, as opposed to human relations, is an approach to work relationships "concerning people's values and abilities, which focuses attention on all organisational members as reservoirs of untapped resources" (Miles, 1965). In this scheme of managerial evolution, human resources is seen to be an improvement on human relations and a far cry from the authoritarianism of scientific management. However, my concern in this chapter is not the validity of any taxonomy. Clearly there is a difference between human relations and resources arising from the unit of analysis which is adopted in the approach to work relationships. For relations, this is the individual worker and for resources, the small group. Instead, the intention is to study the exercise of power using the analytic framework proposed in Chapter Two. Within this framework, power is defined as:

The ability to determine interests will be realised in an interaction, the extent and manner of realisation, and the fate of counter-factual interests.

The Human Factor in Industry

If Taylor introduced scientific logic to managerial thought, Elton Mayo was responsible for a philosophical orientation which was derived from his earlier study of psychology and from the anthropological

influence of Lloyd Warner. The result did little to advance either psychology or anthropology, but it provided a "rag-bag" of theory regarding man in industrial society. Mayo's contribution, according to Rose (1975: 114), was to emphasise the "rootlessness of individual existence in industrial society, ascribed variously to childhood traumas, obsessive reverie, the suppression of the natural tendency towards spontaneous collaboration, or to anomie". The Durkheimian thesis is reinforced by Warner. The tradition of structural-functionalism derived from Radcliffe-Brown and practised on the Murngin and Newburyport stressed cohesion, solidarity, and co-operation as the elements of traditional society. The general feeling was that industrial society lacked these qualities, a result of which was the "irrational exasperation" of the individual (Mayo, 1933: 154). According to Mayo, this was confirmed by the Hawthorne study:

It would seem that one of the important problems discovered by the research division at Hawthorne - the failure of workers and supervisors to understand their work and working conditions, the widespread sense of futility - is general to the civilised world and not merely a characteristic of Chicago. The belief of the individual in his social function and solidarity with his group - his capacity for collaboration in work - these are disappearing, destroyed in part by the rapid scientific and technical advance.

(Mayo, 1933: 154)

If anything, the experimental results of the Hawthorne studies reveal the exact opposite of the conclusions which Mayo drew. Carey (1967: 416), for examples, notes that the results "are surprisingly consistent with the old-world view about the value of monetary incentives, driving leadership, and discipline". The fact that the workers in the Bank Wiring Room reacted to the experimental design is not evidence of any inability to co-operate. Nor is the finding that informal work relationships can influence work output support for the conclusion that society lacks cohesion. According to Friedmann (1949: 208), much of the error in the conclusions resulted from the creation, by the experimenters, of a division between man as a worker at Hawthorne and man as a member of the wider society:

The investigators grasped the intrinsic importance of the restriction of output, but they did not see that they ran into a socio-economic fact which goes beyond the horizon of the company ... the worker does not belong solely to the collectivity, that is, the plant, but at the same time to other groups defined by their place in the production process and the society; in brief, by the socio-economic causes whose action does not stop at the factory gates.

In failing to understand the wider society, the followers of Mayo advocated a system of management which simply replaced the money interest of Taylor with social interests. The assumption was that man participated in the work environment because it was the easiest way for him to realise his need to perform a social function. By structuring the work environment to permit the maximum realisation of this interest, it was further assumed that the worker would be happy, coordinated, and would increase his output. At its most ridiculous, the shop floor became more like a high-camp welfare agency than an industrial organisation. For example, William F. Whyte described the ideal management-worker relationship as one in which "he [the foreman] does good turns for them [the workers], unobtrusively, as a natural part of his behaviour, and they reciprocate" (cited by Rose, 1975: 153).

When the "school" moved from Harvard to Chicago it gathered momentum and became connected with the Society for Applied Anthropology Inc., inaugurated by Arensberg. This placed Human Relations in a framework of social engineering without any real theoretical base. But it turned the movement into a marketable package. The consumer was management, disillusioned by the failing promises of increased productivity through Taylorism and by the wave of industrial conflict which spread across American industry with the advent of unionism. The attraction of Human Relations is understandable. The worker, it was suggested, could be manipulated in less expensive ways than by the offer of financial inducement. Self-gratification might still remain

if the therapist was part of the elite, the situation was unhealthy since it would be possible for this particular member of the elite to develop a centre of institutional strength by appealing to competing interests within the worker. Of Durkheim's two theses, the moral and the political, Herzberg (1959: 103), for example, developed the moral thesis and turned the workplace into something of a revival meeting. Through work, man could renew his "self-respect and respect for others" and thereby "cure the sickness of our society". He rejected the political thesis, suggesting that "the authoritarian pattern of American industry will continue despite the propaganda for a more democratic way of life" (Herzberg, 1959: 136). One of the first to escape this psychoanalytic mould was Likert who adopted Durkheim's political thesis in advocating "a widespread use of participation" for the elimination of anomie. Individual motivation was recognised, but if work were to be made less alienating, its organisational structure would have to be changed:

To be highly motivated, each member of the organisation must feel that the organisation's objectives are of significance and that his own particular task contributes in an indispensable way to the achievement of its objectives. He should see his role as difficult, important, and meaningful.

(Likert, 1961: 103)

Unlike the participation in co-determination, the intention of Likert and his followers was to organise a democratic structure which would allow the prevailing authority relationships to stay largely intact. This came to be interpreted as allowing the worker a more intensive participation within a managerially designed organisation, that is, within a guided democracy for industry. In this the interests of the worker were determined as being specifically against participation in areas beyond their capacity for understanding. Thus management structured the agenda for participation according to a particular

the basic motivating force in industrial man, but the interest to be realised could be social solidarity rather than money.

In the political atmosphere following the Second World War, it was impossible to advocate social solidarity without making some ideological statement. A politically neutral approach was to avoid any reference to the overall society and to propose alteration to the work relationship on a face-to-face basis with individual workers. Taken collectively, it was expected that this psychoanalytic concern for the individual would fill the ideological gap between scientific management and the demands for pluralistic organisation stemming from the political order. The result of this psychoanalytic perspective was a type of counselling service which a paternalistic management administered to maladjusted operators. Since it was rooted in individualism, it could show no more than an outward concern for the human element in industrial society. There could be no structural implication for the organisation of work relationships apart from the intervention of therapist between management and worker. Within the therapy session, the aim was to create the impression that everything possible was being done for the worker by a concerned management and, as such, he should be grateful. If alienation existed, there was no promise of alleviation except in the knowledge that the mass of industrial workers suffered the same condition. According to McMurray (1944: 13):

At least half of the grievances of the average employee can be relieved merely by giving him an opportunity to "talk them out". It may not be necessary to take any action on them. All that they require is a patient and courteous hearing, supplemented, when necessary, by an explanation of why nothing can be done ... it is not always necessary to yield to the worker's requests in order to satisfy them.

Since it was limited to the face-to-face analysis of individual workers, the technique was expensive. Furthermore, as a basis for the mobilisation of managerial power, it depended on one person, the plant therapist. Even

interpretation of interests. Coincidentally, this interpretation was accompanied by a means of realisation which was compatible for the attainment of formal goals. In Britain, joint-consultation was the name given to the structuring of the agenda, while in America, it was described as job enrichment.

Joint-consultation was a relatively inexpensive way of creating a barrier between management and worker. The procedure was to create councils through which management would "consult" workers' representatives regarding conditions of work on the shop-floor. These councils were, for some time, the means par excellence of coopting the informal work organisation into the formal control of management. They were enthusiastically adopted by workers in British industry in the 1940s as the portent of greater sharing of managerial power. The assumption was that informal means of work performance were often more efficient and more satisfying than formally prescribed method. Through the council, the worker would have the opportunity of advising management on the inefficiencies entailed in their directives. The distance between the planners and the performers would be reduced, productivity would increase, and the worker would feel gratified that his opinion had been sought, if not implemented. This gratification was reward enough in view of the class lines that management crossed to listen to the workers' viewpoint.

For joint consultation to be effective, it is now apparent that a prerequisite is the acceptance, by the worker, of a particular relationship with management. According to Clarke et al. (1972: 49), this amounts to accepting "that decisions arrived at by management fully take into account their stated interests and that they are given appropriate weight". It also assumes that management will "provide the workers with an opportunity to be effectively consulted" meaning that the consultation should have an institutional status within the organisation. Joint

consultation failed because these prerequisites were not fulfilled and because the form of participation was not seen as a vehicle of administrative accessibility. Management always maintained absolute right of veto over decisions which were, in no way, binding on organisational policy. According to Daniel and McIntosh (1972: 100), the councils were seen to be no more than "talking shops concerned with trivial matters such as cold chips in the canteen, without powers to deal with important issues". Nor were the workers imbued by any sense of gratification if the company happened to make a profit from their suggestion. Generally, joint consultation schemes were abandoned although there were some notable exceptions.

One exception was the system of consultation which had developed at the Glacier Metal Company in London. On the advice of the Tavistock Institute of Human Relations, a works council was established in the company to discuss the subject of wages and conditions, an issue which had been especially contentious. The council was received with such acclaim by the workers that management gradually increased the range of issues which were admitted to the agenda for decision-making. This gave the impression of having created "a coherent executive system extending through to the shop-floor" (Jacques, 1951: 316). This impression was sustained by permitting decisions in select areas to become binding on management. Workers came to see Glacier Metal as an "open system", an innovation which was remarkable considering that the organisation was always considered to be "closed". According to Jacques (1951: 316) the innovation was even more remarkable since it "widened the scope of sanctions given to those who occupied positions of authority by providing them with the sanctions of subordinates as well as those of superiors".

In the case of Glacier, the authority structure remained intact and was actually reinforced by participation of subordinates in decision-

making. This was because management was able to exercise strict control over which issues could be admitted to the agenda for decision-making and which issues could, in turn, result in binding decisions. However, there was no systematic attempt to structure the relationship between issues and interests. It was left largely to chance that the issues which arose were connected with an interest compatible with the attainment of formal goals. For example, it was assumed that, given the opportunity, the workers would use the council as a means of realising their interest of participation. It was not considered to be a possibility that it could be used to realise interests which were not compatible with the attainment of formal goals. Using the rationale developed by Selznick, it would be suggested that this area of organisational life was uncontrolled since the range of interests was beyond scrutiny. Had the workers' interests been otherwise, the council might have been used as a means of creating a centre of institutional strength.

The ability to determine which interests should be admitted to the industrial work relationship became a reality with job enrichment. Enrichment is an attempt to innovate the work relationship by introducing participation as an aspect of the work pattern and, in a limited sense, of the pattern of authority. The effect on the authority structure depends on whether the enrichment is "horizontal" or "vertical". Horizontal enrichment, according to Lawler (1969), is giving the worker greater responsibility by increasing the area of the productive process under his control at the same level. Thus an automobile worker may be required to learn and perform several different jobs on the assembly line instead of performing the one job. Alternately, he may follow one item through several successive stages of manufacture. For example, the car assembler might press the body panels, construct the body, and detail

the interior. Vertical enrichment gives the worker greater responsibility over the prerogatives of his immediate superiors. In this case, a worker may perform the production of an item and also conduct the quality controls. As Hespe and Little (1971: 326) suggest, enrichment means:

adding another dimension to a person's day-to-day work: a planning and controlling (and hence decision-making) dimension. In the sense that more initiative, involvement, and responsibility are required of an individual, his job has been enriched.

In this sense, managerial perception changes from a husbanding of relations to a tapping of resources. Where, in addition, the basic unit of organisation shifts from the individual to the group, the stress is on the autonomy of the work group, its involvement, and its initiative. These changes require a different managerial outlook in regard to work organisation as well as a different psychological perspective. The latter changes from the psychoanalytic perspective of Mayo to that of small-group dynamics. These innovations to work organisation and managerial perspective form the basis of the Tavistock Institute's proposals regarding the development of semi-autonomous work groups in socio-technical systems. According to Herbst (1974: 3), "most of the basic concepts employed in the field of socio-technical studies can be traced back to a paper of Trist and Bamworth (1951) on the social and psychological consequences of the long-wall method of coal-getting".

The notion of a socio-technical system is derived from an ecological approach to the technology of industrial production. The production process is not regarded in isolation, but, instead, in terms of an interdependent relationship with social organisation. "Social" is limited to the work situation and the organisation of workers in relation to the pattern of authority. However, authority is not an operative term for this approach. Instead, there is a tacit assumption of a traditional pattern of authority conforming to the line type of scientific management and referred to as a "role-segmented structure in which men have acquired

status differences and are strongly involved emotionally in either a positive or negative way" (Herbst, 1962: 9). The development of semi-autonomous work groups represents an alteration of the "social structure" in that group formation cuts across the segments, eliminates the status variables, and creates an undifferentiated class in relation to the technology. In a structural-functionalist sense, the alteration in the social structure is thought to institute a positive feed-back mechanism between the work group and the productive process. This mechanism can be controlled, but it depends on the correct choice of technological alternatives for the current trend in social change:

In practice, this means that the initial task of the design engineer will be to present the widest range of techno-economically feasible alternatives. Of these, a smaller number will be selected for further study and tested for consistency with social and organisational requirements before a commitment to a final technological design is made. To the extent that workers and staff are able to participate in the process of choosing, the conditions will be provided for achieving an initial joint commitment to the direction established for organisational change. At the same time, it will become possible for those who operate the new technology to test the extent to which the principles of choice turn out to be valid in practice, and to contribute at a later stage to the process of redesign.

(Herbst, 1974: 8)

The study by Trist and Bamworth (1951) was an extensive examination of the implications of a change in technology from a hand-got to a mechanised system of mining for the social structure of work groups. One of the conclusions was that the introduction of mechanised procedures meant that a technological alteration could not be implemented without introducing a different structure of work relationships. With the hand-got system, there had been two distinct group sizes in the mines, the small work group and the larger communal group of miners. When the mines were mechanised, the small work group had no place in the socio-technical system and what emerged was a group of intermediate size. As a result, Trist and Bamworth (1951) consider that the members of these groups suffered anomie because of the normlessness of the new work situation. By contrast, a

change in mining technology examined by Herbst (1962) was less of a social strain because the miners were already accustomed to working in combinations of small groups up to configurations required by the mechanised system. In this case, the autonomy of the work group was not endangered. By autonomy, Herbst (1974: 21) means that "the unit requires no external supervision and control of its internal functioning and no internal staff concerned with supervision, control, or work coordination".

Where autonomy is artificially induced as a desirable aspect of work relationships, the aim has been to leave the authority structure intact. To this extent, the work groups are "semi-autonomous" or "actually relatively autonomous because ... they must accept objectives relative to the overall objectives of plant management, responsibility for proper use of company resources, and observe what the company sees as a proper use of people" (Emery, 1970: 1). Taking the organisation as a whole, management, as Fox (1974: 238) suggests, is given ways of "inducing the rank and file to legitimate higher management control and leadership without in any way modifying the structure of power and decision-making". The only real casualty in the exercise is middle management which, rightly, feels threatened by planned obsolescence. According to Daniels and McIntosh (1972: 100), resistance can be very strong amongst foremen who feel that the "last vestige of status and responsibility has been stripped away from them". Upper management may also have some fears regarding the removal of the middle management barrier between themselves and the workers. In the full experimental programme, however, there are institutional means for removing the barriers which do not create any danger for the traditional centres of power. This is achieved by determining which interests will be admitted to the proposed job environment for realisation.

The determination of interests is made possible by the exhaustive election and training procedures associated with the experimental programmes. For even the most basic process operation, applicants are sifted by rigorous selection tests and then subjected to long training sessions. For example, a battery of tests and interviews was used to screen some 600 applicants by General Foods. The intention was to fill a mere 70 vacancies on an enrichment programme they had instituted for their new food processing plant at Topeka. Similarly, Shell U.K. screened some 3,000 applicants for 156 positions. Given this amount of care in choosing process workers, it is not inconceivable that the selection criteria should include the extent to which the individuals could be motivated by, for example, the interest of consensus. Such an interest could then be reinforced in the training programme. Applicants could be taught to realise the interest of consensus through participation in decision-making. The interest would not be realised if the participation was at a level which created conflict or if the decision-making involved issues which could not be oriented towards group solidarity. These situations would be avoided and so the interest, as well as the extent and manner of its realisation, determined.

This type of training would not seem to be anything extraordinary considering the care taken in staging the programmes. At Topeka, for example, the plant was built as an experimental "laboratory" to test the innovations in work relationships before they were introduced to other plants in the company. Having regard for the influence of extraneous variables, the plant was in complete isolation from the other plants and the workforce especially recruited. Unfortunately, there is no report on training procedures although Walton (1972: 98) notes that when "support activities were integrated into the team responsibilities", there was a series of improvements. There was a 40 per cent

decrease in the required manning staff, improved yields, lower wastage, and no strike action. This meant that manufacturing costs were reduced and the company made "annual savings of \$600,000. The safety record was one of the best in the company and the turnover was far below average" (Walton 1972: 98).

Without a knowledge of the support activities, it is not possible to reveal the value-system which filled the ideological vacuum between the operators at Topeka and the mass of workers performing the same basic functions in other plants and other industries. It is apparent that the designers of the experiment were not concerned solely with training people to perform process operations. If they were, the learning could be completed in a few days on the job, but then any attempt to control values would be ad hoc. Obviously, the intention in experiments like that at Topeka is to introduce the worker into a ready-made environment in which all proposed controls are already existing. In this environment there should be a cohesive ideology supporting a succinct value system. For schemes such as the TVA, this environment can be structured over time, but in modern industrial organisation, the demand is more immediate. Complete plants employing thousands need to be fully operational in the space of a few years. Given this level of development, there is a demand for "pre-fabricated" value systems which can be assembled in a variety of industrial contexts.

Recent work in the Tavistock tradition has created such a value system using the concept of industrial democracy. In this approach to substantive rationalisation, the emphasis is on an elimination of alienation through the development of semi-autonomous work groups within an environmentalist framework. Environment in this sense, takes on a special meaning in that it is refined into a basic theory which relates a managerial ideology to an industrial value system. This theory seeks

to analyse the organisation by relating internal events to the surrounding organisational "environment". As Miles (1974) has shown in a review of the literature, this notion of an environment is by no means novel, even for the analysis of organisations. The difference in the Tavistock approach is that the environment is treated as an independent variable. This is possible with the development of a four-fold classification of environments. Each class is determined by set variables and represents an observable set of reactions in the organisation. These reactions occur depending on the particular environment surrounding the organisation.

The environments range from Type I through to Type IV. The Type I environment is the least complex being completely unstructured, while the Type II has competing systems which still manage to act autonomously. Where they interact, a Type III environment is created because a dynamic quality replaces the placidity of the previous two environments. By some innate vitalistic feature of the relationship between organisation and environment, the dynamism can become "turbulence", thereby creating the Type IV environment:

A useful analogy in understanding how turbulence arises is the effect of a company of soldiers marching over a suspension bridge. They may set up a resonance that leads to the bridge's "self-destruction".

(Crombie, 1972: 106)

The danger for an organisation caught in the turbulence of a Type IV environment is that its adaptive responses will be appropriate only for a less complex environment. Thus the organisation may attempt to control one of the competing systems, not realising that the environment is now "characterised by dynamic processes occurring in the field itself and not simply in the actions of other systems" (Crombie, 1972: 106). Failure to make the correct adaptive response can lead to the disintegration of the organisation. By attempting to control one of the systems, for example,

there will be a time-lag between action and effect during which the organisation has been carried to a further level of development. For the Type IV environment, the most effective mechanism that an organisation can develop is the "creation of values that have overriding significance for all members of the field. Social values are here regarded as coping mechanisms that make it possible to deal with persisting areas of relevant uncertainty" (Emery and Trist, 1965: 18).

One of the problems encountered by Emery and Trist (1965) when they attempted to apply this framework was the establishment of agencies which could effectively create appropriate value systems. After an analysis of the National Farmers' Union (NFU) and its environment, for example, it was found that no one in the organisation was connected with the promotion of substantive rationalisation. "Not the least among the problems was that of creating a bureaucratic elite that could cope with the highly technical long range planning now required and yet remain loyal to the democratic values of the NFU" (Emery and Trist, 1965: 18). If such an elite had emerged to create "adaptive organisational policies", the relationship between organisation and environment would have changed dramatically:

The relevance of large classes of events no longer has to be sought in an intricate mesh of diverging causal strands, but is given directly in the ethical code. By this transformation, a field is created which is no longer richly joined and turbulent, but is simplified and relatively static. Such a transformation will be regressive, or constructively adaptive, according to how far the emergent values adequately represent the new environmental requirements.

(Emery and Trist, 1965: 18)

For the industrial organisation, the agency most suited to the creation of adaptive policies is management. This is because its perspective allows it to "match constantly the actual and potential capacities of the enterprise to the actual and potential requirements of the environment" (Emery and Thorsrud, 1970: 4). That is, management

performs a function which amounts to monitoring the state of the environment and advising the most effective responses. This function is described by Emery and Thorsrud (1970: 4) as "border control" and creates an elite within the organisation. This elite must be a professional body since it is asked to interpret not only the apparent, but also the potential, or the hidden features of the environment. In that organisation risks disintegration if the responses are not forthcoming, management must also exercise legitimated authority in relation to its policy formulations. It would also seem that the implication in this reasoning is that management can exercise power by determining which interests are appropriate in the industrial organisation and the manner of realisation which will prove most adaptive. Emery and Thorsrud (1970: 4) describe this as "a shared sense of commitment to a mission" which allows an "enterprise to cope with variations in its environment". However, they add that this cannot be achieved by any "finite combination of regulatory devices or mechanisms".

As a general statement on contemporary industrial society, the environment is assumed to be entering a period of turbulence. According to Crombie (1976: 4), this is the result of "transformations of social fields amongst advanced societies in the direction of more rapid change, and greater complexity, uncertainty, and instability from the point of view of the purposive behaviour of individuals, groups and organisations". Confronted with such an environment, the organisation can retreat to a closed system which is a maladaptive response. Alternately, it can become an open system by increasing the flow of information between the environment and the organisation and creating the conditions which allow the organisational members to react to that information. The mechanisms which permit this sort of reaction are the participatory bodies within the organisation. These bodies, where they are institutionalised allow a

formal adaptive response by the individual units of the organisation to be transformed into an organisational response. At the same time, it remains the responsibility of management to formulate the value-system which permeates throughout the organisation. For an open system, the most pertinent values are democratic, but as Crombie (1976: 47) emphasises, only particular democratic values will be effective for the coming turbulence in society:

The emphasis is on participatory democracy - the direct and personal involvement of the individual in the government of those social structures and processes which affect his way of life. Representative forms of democracy in the workplace are not necessarily in conflict with this, but neither do they in any way facilitate it. The quality of working life for the mass of workers is little affected by having a spokesman on the Board, but an enlargement of worker autonomy in decision-making on the shop-floor can do this and lead towards more democratic control of the organisation.

The notion of democracy, therefore, is one in which participation is restricted to a particular area of interest. For the worker, this area is largely confined to the shop floor, the suggestion being that participation beyond the shop floor is also beyond the worker's interest. In this way, workers' interests are determined by management on the pretext of developing organisational responses to the surrounding environment. Since it is the managerial elite which is interpreting the changes in the environment, the worker must (a) accept that the environment is, in fact, turbulent, and (b) accept that particular response will be maladaptive. This presumes a certain relationship between management and the worker. A precondition for the learning and development of adaptive response mechanisms is the rejection of authority relationships in favour of trust relationships. According to Herbst (1974: 35), "there is considerable evidence that the development of collegial and friendship relations is perceived to be inconsistent with the maintenance of the conventional authority and status structure".

By redefining the relationship between management and worker, it is possible to inaugurate a different value system related to consensus rather than conflict. If this is successful, management could expect some reliability regarding the emergence of issues because the value system will be restricted to a known set of interests and a known set of counterfactuals. Reflecting Mayo's attitude towards money, Crombie (1976: 22), for example, suggests that when "people's lower level needs sustenance, shelter, and security are not being adequately or reliably met, then the administration of rewards and punishments ... may be reasonably effective in securing conformity to organisational goals". When the realisation of interests based on these needs is complete, attention is given to what Maslow (1943) describes as "higher level needs". Following Maslow's interpretation of behaviour, Crombie (1976: 22) further suggests that:

When the satisfaction of needs of this sort is more or less guaranteed then individuals are more likely to seek out and respond to situations which provide for the satisfaction of the important psychological and social needs for belongingness and love, self esteem, and self-actualisation.

The determination of these higher level needs or interests is evident in an experimental programme at a new fertiliser plant in Norway reported by Emery and Thorsrud (1970). The initial advertisement calling for applicants was intended to "create only those expectations which were in line with the intended design of work" (Emery and Thorsrud, 1970: 92). The advertisement stressed the interests of co-operation, learning, and innovation. There was no mention of financial reward or status within any hierarchy. Personnel were selected by a panel of three and a group of twenty submitted to the training session of some 200 hours duration. A further batch of forty-five men were trained in a shorter session lasting only forty hours. It was felt that these men, who were already working in the fertiliser industry, would be more easily trained.

The positions the men were being trained for were essentially those of process workers, but they received training in the full programme on such diverse subjects as process knowledge, instrumentation, and maintenance work. Even so, eight weeks is a remarkably long time to be spent in training. What occupied the remainder of the time is not revealed, although Emery and Thorsrud (1970: 93) describe the entire programme as "representing a 'new deal' in the training policy of the company ... a first step towards creating a 'skilled process worker' status". The determined interests were influenced, however, to the extent that an attitude survey revealed a positive shift in opinion regarding the key expectations: responsibility, innovation, learning, security, and satisfaction. None of the workers reported that they were dissatisfied with the job in the new plant and only one complained of any lack of responsibility in determining work procedures. Apparently, the men had a strong positive commitment to increasing productivity because it increased by 20 per cent in the first year although it levelled to 10 per cent by the second. Furthermore, these levels were held at a manning rate 30 per cent below expectation.

The levelling of productivity increases to 10 per cent might suggest a general slide in the effectiveness of the innovations. If the company were interested solely in productivity increases, then the workers, by restricting production, were exercising power over the firm's interest. "Firm" is intended here in the sense of the antithetical party to the workers, that is the composite of management and ownership. Emery and Thorsrud (1970) do not elaborate on the firm's interests other than referring to a general concern for the state of the fertiliser market, the poor labour relations in the company, and the rising cost of production (Emery and Thorsrud, 1970: 21). Increasing the production level might help to solve marketing problems and the elimination of

wasted man hours the productivity problem. Unless the contribution in these areas is substantial, however, overall profitability could be eroded because the cost of training is added to the overhead of labour. If the net gain is not clear, then the problem is to determine why the firm is continuing with the innovation if it is attempting to realise the interest of rational economic behaviour.

One explanation could be that, for the firm, the interest of rational economic behaviour can be realised in both the long and the short-term time span. From other areas of organisational activity, such as investment decisions, it is apparent that the firm adopts strategies depending on the rate of return and the length of time required before it can be expected. With the innovation to work relationships, although there is a heavy investment in substantive rationalisation, the initial cost tapers, but continues to show returns over time. Once the normative arrangement of the work groups has been structured and the value-system implemented, any new entrant to the organisation can be socialised by the small group rather than through an expensive training programme. This means that possibly a single training programme could be amortised over a period of time extending beyond that taken for a complete turnover in staffing. If the decline in profitability is so great, then an alternative explanation is that the workers have exercised power over the interests of the firm which can be realised in the work relationship. In this case, the interest of rational economic behaviour has been relegated to the role of counterfactual and the maintenance of good labour relations determined as the interest to be realised.

A further alternative is to extend Durkheim's moral thesis and propose a framework of corporate responsibility according to which the firm's interests can be realised. For example, Meidner (1975: 366) considers that the firm is partly responsible for the future of the

unemployed, the work exhausted, the married female worker, and the physically handicapped. Similarly, Crombie (1977) suggests that one aspect of corporate responsibility is the development of a particular order of social organisation. He concludes that "the architects of industrial democracy will be guilty of gross negligence if they do not attend to the broader ecological questions of the relations between the democratisation of work and the cultivation of a humanised, adaptive society capable of inventing its own future" (Crombie, 1977: 71). The implication is that the firm, as one of the architects of industrial democracy, would not fulfil its responsibilities and, thus, fail to realise its interests, if, in the face of declining profitability, it discontinued an innovation which was considered to lead to an adaptive society. Apparently, in the empirical situation, there is evidence of this negligence on the part of individual firms because Crombie (1977) is able to indicate Volvo in Sweden as being a doubtful case. For Australia, the situation is much clearer:

In Australia, it is an unfortunate fact that three of the better known examples of participatory organisation on the shop floor - Luv Pet Foods, Alcan's Kurri Kurri smelter, and ICI Botany - have not survived the test of time.

Even if it can be assumed that the limits of corporate responsibility are clearly defined or that these responsibilities relate to the firm's interests, it would be difficult to relate the behaviour of particular firms to the cultivation of an adaptive society. After all, the notion of adaptation was originally intended as a description of an organisational response to a surrounding social condition. Using it in this latter sense represents one level of explanation and in the sense of a type of society, another level. That is, the theoretical framework which is being used to compare these firms is extended beyond the original definition of terms. Therefore, statements on the nature of work relationships in these firms cannot be substantiated analytically.

Nor can they be substantiated by referring to empirical observations because, firstly, the observations have not been made and, secondly, because it is impossible to assess the significance, or even the content of the "test of time" referred to by Crombie (1977: 71). In the case of Alcan's Kurri Kurri smelter, for example, there is no published report on the organisation of work relationships or the context of the corporation's responsibilities.

Conclusion

By modifying Lukes's analysis, it has been possible to examine a range of approaches to work relationships which do not require determinist assumptions regarding workers' interests. Although the developments after scientific management alter the prevailing image of the industrial organisation in society, the scope of the theoretical frameworks is restricted to proposals regarding work relationships within the firm. As an example of the more recent developments in the human management tradition, the Tavistock reports on semi-autonomous work groups were examined from the viewpoint of the proposed definition for power. It is evident from the experiments already conducted that the intention has been to create a managerial elite which has the ability to determine interests, manner and extent of realisation, and the fate of counterfactuals.

This power is intended to be mobilised through the ideological weight of substantive rationalisation. Provided the normative arrangement of the work groups has been effectively rationalised, power can be exercised through a manipulation of small group dynamics. I would suggest, however, that the explanation which the Tavistock writers use to promote this rationalisation lacks cohesion. Atavistic assumptions of turbulence are required before the environment model can be utilised.

Furthermore, there are implications of an ethical arrangement of interests for the firm derived from a notion of moral responsibility. Since the realisation of these interests is not considered to be empirically evident in contemporary society, the only conclusion can be that the firm is not fulfilling its responsibilities. An alternate explanation, and one which has environmentalist appeal, is that contemporary society is maladapted.

This criticism of the Tavistock approach is not to refute the importance of small groups in the organisation of work relationships. Instead, it is possible to advance a more economical argument for their implementation if the innovation is conceptualised in terms of the proposed analytic framework for power. This is possible if the interests of the firm, as well as those of the worker, are identified. I have suggested that one interest of the firm is the pursuit of rational economic behaviour although there may be others. This interest can be qualified by short and long-term realisation. A further qualification would be the context in which the rational behaviour is pursued. By context, I would prefer not to invoke notions of environments because of the close relationship with environmentalism. Instead, context is used in the sense of the relevant aspects of the social structure which could affect the exercise of power in the organisation. This is what Lukes (1974: 34) describes as "institutional weight" and what Clegg (1975: 118) means when he suggests that:

'rationality' may be seen in the deep structure of the organisational strategies and tactics, expressed in speech, and produced through members' understanding of their iconic form of life, in the domination of the ideal of profitability.

At a different level of analysis, we can turn to the organisational strategies produced by members' understanding of the rules and regulations surrounding the work relationship. For Australian society, this is facilitated by the presence of a unique body of law for an

industrial society, the system of compulsory arbitration. Before any legal system becomes institutional weight, it requires the development of strategies, tactics, and, most importantly, values. In the following chapter, I will describe, at a general level, the ways in which the industrial firm in the context of Australian society has created a set of conventions aimed at supporting the exercise of managerial power and the realisation of the firm's interests.

CHAPTER FIVE

WORK AND POWER IN AUSTRALIA

Introduction

This is the long-established habit, carried further, perhaps than in any other advanced society, of institutionalising the resolution of conflicts over the allocation of values ... Its central feature is the attempt to remove from a process of ad hoc bargaining or trials of strength, based on the relative power of the competing interest groups, to a system of adjudication by committees, boards, tribunals, departmental agencies, autonomous corporations, and similar institutional devices.

(Parker, 1965: 88)

Nowhere in Australian society is the institutionalisation of conflict more apparent than in the courts, tribunals, and commissions associated with the performance of work. These institutions are a development of the continuing intervention by the government in the relationship between employer and employee and can be collectively described as the "arbitration system". In that it is "compulsory", it is unique amongst systems of industrial conflict regulation. Except for New Zealand, no other contemporary industrial society has vested the legal system with the right to make binding decisions on such a range of issues regarding the conduct of the work relationship. By developing strategies which coincide with this institutional form of power, management in Australia has been able to determine the workers' interests.

Unfortunately, there has been very little sociological analysis of this aspect of power in Australian society. One reason is that the arbitration system was originally conceived of as a device for creating pluralism with a balance between the power of the employer and that of the worker. Another is that a more convenient explanation of power arose from the changes to Australian society effected by immigration policies. These

changes have led writers such as Rowley (1972), Lepervanche (1975), and Collins (1975) to interpret the industrial strength of employers in terms of a "reserve army" hypothesis of power.

In this chapter, the reserve army hypothesis will be examined against the available evidence on labour movements and the development of trade union organisation. The arbitration system will be discussed as a separate form of power which is available to the employer. This discussion involves the definition of an "industrial dispute" and the historical process of wage determination. Connected with the exercise of this form of power is a value system which has been most explicitly formulated by some of the employers' associations, especially the Metal Trades Industry Association. The values and ideology of this association will be examined in relation to the events which occurred during the "absorption crisis" of 1968. From a comparison of the two forms of power, conclusions are drawn regarding work and power in the general context of Australian society. In the following chapter, the context is narrowed to the Alcan smelter at Kurri Kurri.

The Workforce

There are also political reasons which favour a rising population. Australia is acutely conscious that, in relation to her land size, her population is very small - too small adequately to defend her territory against foreign aggression, should Australia ever again find herself at war ... unless her manufacturing industries had been developed, her economy might be paralysed and her ability to defend herself seriously impaired ... she is concerned to provide social conditions which will encourage parents to have children ... and which will attract suitable migrants whose cultural heritage is similar to the Australia and who will fit without friction into the Australian pattern. For this reason, it is mainly to Britain and Western Europe that she looks for her new citizens.

(Tew, 1951: 26)

The population of Australia in 1976 was thirteen and a half million. Six million or 60 per cent of the population aged fifteen years and over was engaged in the workforce. This compares with slightly in excess of three million or 56 per cent of the same population, in 1947. In the total post-war period, therefore, Australia's workforce has nearly doubled. The most significant contributing factor in this expansion has been the massive immigration programme which was instituted on the premise that Australia needed to fill empty space. From the history of the programme, it would seem that cultural "fit" became a secondary consideration. According to Collins (1975: 108), the primary objective in the "longest phase of Australian planned migration since the convict settlement" was the creation of a "reserve of industrial workers". When ships were not available for British migrants, immigration officials turned to Spain, Portugal, and the Middle East. More recently, attention has been given to South America and Asia, ending forever the blandness of the "Australian pattern".

By 1976, 25 per cent of the workforce was foreign born (see Appendix, Table 1). Migration was a more significant factor in the growth of the workforce than natural growth within the population. By 1961, according to Ford (1970: 107), migration had accounted for 73 per cent of the total increase in labour since 1947. From Table 1 it can be seen that, on national figures, there was a constant proportion of workers in the new arrivals for the three periods between 1955 and 1974. Over 80 per cent of the arrivals in each of the three periods between 1955 and 1974. Over 70 per cent of the arrivals in each of the three periods participated in the workforce, a result, no doubt, of the Immigration policy to attract labour rather than people. As far as the effect on the labour force, the peak period of immigration was the years between 1968 and 1974 when some 440,000 new arrivals entered the workforce. Apart from the most recent

period, this was also the time when migrants experienced the greatest difficulty in finding employment. It would seem that it can take anything up to ten years or more before secure employment is found since it is only at the 1955 to 1961 period that the unemployment rate falls to the national average. However, age may be an extraneous variable. The unemployment rate of 4.1 per cent and even 2.9 per cent for those arriving before 1955 might be high when compared with the corresponding age group in the overall Australian population.

If there is a floating reserve of unemployed migrant workers, then it is located in the cities. When they came to Australia, most migrants shunned the empty spaces and crowded into the main urban centres where there was the greatest chance of employment, where capital was unnecessary, and where ethnic networks had been established. According to Burnley (1974: 155), migrants accounted for 70 per cent of the increase in the Melbourne workforce up to 1966 and 50 per cent of all unskilled labour in the city. This increase in the population of the urban sector is the most significant contributing factor in the urban-rural population imbalance. In New South Wales for 1976, 61 per cent of the workforce lived in Sydney while the rest lived in areas including the industrial complexes of Newcastle and Wollongong (Bureau of Statistics). Industry has followed the population trend and created an interaction by investing where the workforce has settled. The capital expenditure of the manufacturing industry in the Sydney region by 1973 was six times that of the Newcastle region and eighty times that of the Murray region (Bureau of Statistics).

At the national level, therefore, it is apparent that immigration has created an "Army" of industrial workers. However, the hypothesis suggests that this army is in the nature of an unemployed reserve. It also suggests that, as a form of managerial power, the reserve army is at

all times greater than the possible demands for labour. Any decision regarding this hypothesis would need to take into account the levels of immigration and the corresponding levels of unemployment as well as the difficult statistic of job vacancies. If the implication is that the reserve has suppressed wage levels, then it would also be necessary to examine the trend of wage demands and awards. Altogether, the exercise would be a complex one. Even so, Ford (1970: 107) is confident in using the hypothesis when he suggests that "where European migrants predominate ... wage levels tend to be comparatively lower than in the same industries in other advanced countries". This introduces yet another factor in the reserve army hypothesis, that of cross-cultural differences in occupational prestige and its effect on comparative wage structures. A further elaboration of the hypothesis is the idea that the migrant worker necessarily enters the workforce at a particular level, usually the lowest. Rowley (1972: 271) insists that a division has been created between the migrant and the Australian-born worker with the former being forced to accept the jobs that the latter disdains.

Thus, the reserve army hypothesis is a likely explanation for managerial power, but it is one which presents difficulties. If the sole intention behind immigration policies was the creation of a reserve of industrial unemployed, then there should be no reversal of those policies during periods of economic recession. Instead, these periods should be used to further increase the size of the reserve for ensuing periods of economic expansion. Even a cursory observation indicates that there has been a reduction of intakes during the current high unemployment. Furthermore, not all unemployment is a direct result of the intake of migrant workers. In Australia, the pattern of industrial investment has made unemployment a particularly noxious aspect of rural life and one which decentralisation policies seek to remedy.

The nature of rural unemployment reveals another problem of the reserve army hypothesis connected with the assumption that the unemployed are an undifferentiated workforce which can be attached to any industry. The coal industry in New South Wales provides an example of rural unemployment where the reserve was associated with a particular industry rather than industry in general. In the period leading up to the mining boom of the late nineteen sixties, the proportion of the workforce employed in mining and quarrying did not increase, but instead, decreased. According to Mills (1971: 76), the reversal was the result of mechanisation of the mining industry in general and the closure of mines in the black coal industry. In the black coal industry, the mechanisation of mining took the form of a conversion to open cut as well as the introduction of new methods in the pits. In the Hunter Valley region in particular, the unemployment which resulted was especially severe, a point which will be examined in the following Chapter. However, as Mr Flack, the Director of the Cessnock division of the Commonwealth Employment Service, suggested, the men were unemployed miners, not simply an industrial reserve:

A lot of them took jobs in Newcastle as soon as they could, but none of them missed a chance of returning to the mines. Some had saved enough to allow them to stay out of work until they could get to mining. Others even left everything they owned here to take jobs on the Illawarra fields. They were so keen to stay in mining that some returned here every weekend to their families. If they couldn't get jobs in the mines and couldn't make a go of it in another industry, they just dropped out altogether. There are still some of those in the area.

(Personal interview)

A further difficulty of the hypothesis rests in the notion that the reserve is necessarily a powerless mass of workers forced to accept whatever work is available on the terms of the employer. The implication is that immigration has created what Rowley (1972: 271) describes as an "ill-organised workforce" or, as Lepervanche (1975: 101) suggests, a

"divided working class". This contrasts sharply with the contention of Isaac and Ford (1971: 97) that the Australian workforce, overall, is organised to an extent that is unparalleled in any other industrial country. Taking the membership of trade unions as an indicator, 50 per cent of Australian wage earners in 1969 were represented by a trade union compared with 40 per cent in Britain, 26.6 per cent in Canada, 28 per cent in West Germany, and 23 per cent in the U.S.A. Under the encouragement of the arbitration system, the proportion reached a peak in 1935 with 61 per cent of the workforce being represented.

Nor does it seem possible to argue that the migrant worker, because of language and communication problems, has failed to receive the benefits of unionisation. At a general level, the Australian workforce has derived an immeasurable advantage from the early, legal recognition of the trade union. This advantage applies whether the individual worker is a member of a trade union or not. This is clearly evidenced in wage determination where it is the trade union movement which initiates wage demands for the workforce as a whole, not just for union members. Statistics are not yet available for the breakdown of union membership by ethnic origin, but from casual observation of different unions, it is also apparent that migrant workers have not been excluded from actual membership. Indeed, one factor which is consistently ignored in the reserve army explanation of power is the strengthening of the general union movement which must have occurred in the post-war period with the boom in membership. According to Martin (1975: 49), this is evident in unions such as the Clothing Workers' Union, the Vehicle Builders' Union, and the Federated Ironworkers' Association. Within these unions, he suggests, the bulk of the members are non-British migrants.

Even if migrants do belong to a union, the implication of the reserve army hypothesis is that the union would be industrially

ineffectual or inert. Examining this assumption involves a difficult aspect of the union movement, that of determining the relative activity of particular unions. I consider it to be somewhat erroneous to use political categories such as "right" and "left" because the context of union development in Australia involves more complex factors than mere political ideology. For example, consideration should be given to occupational status in craft-type unions, the appropriateness of current movements such as industrial democracy for the organisation of particular industries, as well as the whole question of representation of rank and file in the union bureaucracy.

If these labels must be used, then the Federated Ironworkers' Association (FIA) would be described as "right-wing". However this must be balanced by the context of whatever constitutes the "left" before any conclusion can be drawn regarding a union's industrial activity. For the FIA, the context is the metal trades industry which includes unions such as the Amalgamated Metal Workers Union (AMWU). Overall, the metal trades unions have shown little reluctance in urging strike action. At the national level of industry in Australia, the metal trades ranks third in the statistics compiled by Oxnam (1971: 33) for man-days lost through strikes in the fifty years to 1963. At that level, mining and stevedoring were more strike prone in that period. For New South Wales, the ranking appears to have changed. Appendix, Table 2 reveals a decline of strikes in mining and stevedoring in that state and an elevation of the relative position of the metal trades industry. For 1973, the number of man-days lost in the metal trades was more than five times that of all mining industries and twelve times that of all waterfront industries including stevedoring. Furthermore, the disputes in the metal industry lasted much longer than those in the other industries. For each dispute in the metal trades, one man-day was lost compared with one-fifth of a man-day in stevedoring.

So far, the discussion has been concerned with the metal industry as a whole. Even if the unions in this particular industry have been industrially active, it is possible that a "far right" element within the industry could be inert. The assumption would be that unions in this category would be heavily endowed with unskilled migrant workers. Perhaps the only available method of testing this assumption is to consider the extent to which unions were prepared to risk legal sanction in the days of penal provisions in arbitration. These provisions will be discussed later in this chapter, but the fines which unions incurred during the absorption crisis of 1968 is a revealing scale of union activity. Fines totally \$18,300 were levied on the FIA for the conduct of illegal strikes during that year, while the AMWU was fined \$21,650. By contrast, the Boilersmith's and Blacksmiths' Society was fined \$20,450, the Australian Society of Engineers a total of \$21,300, and the Federated Moulders' Union, a mere \$750. This is not to imply a political ranking, but instead, an indication that some unions, regardless of size or composition, were more willing to risk penalty than others. The FIA, a union which has a high proportion of unskilled and semi-skilled migrant workers in its membership was one of those unions.

One remaining difficulty associated with the reserve army hypothesis is that, as a form of power, it is necessarily remote from the interactions in employer-employee relationships. It is the type of power which is exercised, in the Marxist sense, by the owning or employing class over the proletariat. The reserve does not appear to be so ominous to the employee that it could be related to specific instances of industrial conflict, at least in normal economic conditions. By contrast, the arbitration system provides a method of power which can be exercised at the class level by employers as a collective as well as the workshop level by an individual employer over a group of employees.

Arbitration

One important reason for the lack of discussion or practice of industrial democracy in Australia is that members of industrial tribunals have deliberately discouraged union representatives from making submissions on subjects which the tribunals and the employers believe to be "management rights". (There is no equivalent recognition by these parties of an area of "union rights"). This in turn has tended to block discussion of participative democracy within unions because most union leaders find it necessary to concentrate their research and claims on issues which are more likely to be acceptable to members of the industrial commissions. The industrial bureaucracies' dominating concern for protecting traditional authoritarian forms of management in industry has resulted in Australian workers enjoying less rights in industry than, for example, workers covered by collective bargaining agreements in the United States.

(Ford, 1970: 118)

The original intention behind the system of arbitration was to correct the imbalance which existed between the relative strengths of employers and employees. It was hoped that by dispatching any conflict to a court of law, peace would prevail. As Justice Higgins (1915: 4), one of the founders of the system, described it, "law would be substituted for the rude and barbarous process of strikes and lockout. Reason is to replace force; the might of the state is to enforce peace between industrial combatants; and all in the interests of the public". More recently, Wheelwright (1962) described compulsory arbitration as an "umbrella under which both weak and strong can expect more equality of treatment than if they remain outside the umbrella". Following the usual pattern of law in Australia, each of the states established their own industrial court to deal with disputes within the boundaries of the state. In addition, there is the Federal Conciliation and Arbitration Act (1904), described here as "the Act". Under this Act, the Commonwealth derives power from section 51 of the Constitution in regard to "conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one state".

Based on statistical evidence alone, the most common cause of industrial disputes is the combined issue of wages and conditions. According to figures compiled by Oxnam (1971: 48), this issue was responsible for 82.3 per cent of strikes at the national all-industry level and accounted for 87.6 per cent of man-days lost for the period 1961-63. The same figures for the issue "trade unionism" are 8.4 per cent of strikes and 4.7 per cent of man-days lost. The most common form of settlement for this period was described as "other methods", that is returning to work without negotiation, and accounted for 47.8 per cent of settlements. Settlements under the "Industrial Acts" for the same period amount to 34.1 per cent. By contrast, only 0.2 per cent of strikes were settled by the appointment of an independent mediator.

From this evidence, it might be concluded that most disputes never reach the point of arbitration and that, consequently, there must be an informal system of negotiation or that an unusually high degree of unresolved conflict exists in Australian society. This would ignore the fact that any action by employees or trade unions as well as any consultation which takes place is largely controlled by the system of arbitration whether or not there has been an actual approach to the commission. This is because rules regarding the conduct of work relationships have been refined by a process of advocacy before the commission. The result has been to establish broad limits within which employees are legally entitled to object against employers' decisions. Beyond those limits, it is possible for the employer to declare any objection illegal. Part of this institutional framework of power is the definition of an industrial dispute.

"Industrial Disputes"

The early development of Federal Arbitration, according to Hawke (1956), was "something in the nature of an industrial war". One reason

for this turmoil was the definition of an industrial dispute. The trade unions were anxious to have the definition kept as wide as possible while employers sought to have the entire system reserved as an emergency measure to be invoked when they were unable to impress conditions of employment. According to Foenander (1937: 20), the original intention was that the definition of a dispute should include "every disagreement respecting the alteration of industrial relations". However, the historical process of advocacy before the court led to a restriction of the issues which qualified as "industrial" within the terms of the Act. These issues are associated largely with the matter of "wages and conditions". The definition became operative within the first thirty-five years of Federal arbitration and allowed Foenander (1937: xi) to declare that "most industrial troubles are centered upon rates of remuneration, conditions of employment, and the engagement of certain classes of persons in industry".

Once the terms of reference for the industrial court were restricted to matters of wages and conditions, it was possible to have cases rejected on the grounds that they were beyond the court's jurisdiction. This created a clear distinction between jurisdiction and managerial prerogative and, as Isaac and Ford (1971: 335) note, there has been a reluctance of the commission to encroach on the latter. "Even a dispute on superannuation has been deemed to be a non-industrial matter". Acknowledgement of wider issues took the form of an occasional ruling on whether union officials would be admitted to the workplace or whether unionists would be permitted to wear their badges while at work. Otherwise, the Act recognises the managerial right to make binding decisions in regard to hiring and firing, the way in which work will be performed, promotion and demotion, and the classification of workers. The commission will act if there is a dismissal arising from trade union membership, so long as the union is recognised

within the terms of the Act; if the prescribed wage is not paid; or if the job classification is not a fair estimate of the work performed. Once these conditions are fulfilled, the employer's power to make decisions is legally consummated in a labour contract which is unwritten, but easily enforced. This is made possible by an appeal against the union's registration or, until 1970, through recourse to the penal provisions of the award.

Registration of trade unions and employers' associations arose from the restriction of the court's powers to the "parties to the dispute". This meant that only those parties which brought a dispute before the court could be affected by the decision. There was a complication in that the court was faced with repetitive litigation because similar parties with similar disputes would need to apply for a decision before any alteration to the work contract became legally binding. For this reason, the commission encouraged the presentation of cases by bodies which could represent the greatest cross-section of the workforce, thus ensuring a "flow" of the "award" or decision. Since they had already developed a representative framework in industry, trade unions were given a preferred status. Similarly, employers' associations could register as representative bodies and present cases on behalf of individual employers or on behalf of employers as a collective, abstract entity.

For the union, registration has proven to be a two-edged sword. The advantages are that, by registering, it achieves full corporate status before the law which, considering the former illegality of unions, was a major advance for Australian labour. It has also entrenched their position in the industrial relations field between employer and employee. Employers are forced to recognise the union, no matter how small, while employees are faced with a growing compulsion to join an appropriate union as a condition of employment. Unions are protected against

competition by the denial of registration to any body which seeks to represent employees if they are already represented by a registered union. Thus the overall number of unions has been restricted over the years of the arbitration system's operation while internal events have led to amalgamations and the smaller number of larger unions noted by Isaac and Ford (1971: 99). The result is that shop committees, for example, cannot gain legal status except through incorporation with a registered union.

The disadvantages in seeking registration are involved in "going public". The union, to be recognised, must follow set electoral procedures, divulge financial arrangements, and follow court orders. Any transgression of these conditions will place the union's registration in jeopardy either through suspension or by complete cancellation. For a registered union this threat is particularly ominous since a deregistered union virtually ceases to exist. Until registration is restored, the union is denied access to the courts and thereby risks losing its members to other unions. One of the most common reasons for deregistration of a union is the refusal to comply with a court order. For example, on the submission of the employer, a union can be ordered to lift work bans or to return to work. Rather than risk deregistration, the union will normally comply with the order and advise the men to return to work. If the union follows the order but the men refuse to comply, the employer can proceed to dismiss and re-hire.

At least until 1970, it was possible for employers to prosecute unions under sections 109 and 111 of the Act if there was any further dispute connected with an arbitrated decision. The usual procedure was for the union to be fined and so in 1968, for example, a total of \$104,000 was imposed on different unions, mainly as a result of the absorption crisis (Isaac, 1971: 464). Otherwise, the court had the power to gaoil

the secretary of the union, a power which was exercised over the secretary of the Victorian Tramways and Omnibus Employees Association, Mr O'Shea. In May 1969, he was gaoled for failing to pay fines which had been levied against the union under the penal provisions. In a concerted effort to have the penal clauses removed, 350,000 workers threatened strike action (SMH, 17 May 1969). However, as Hutson (1965: 206) suggests, the fines and the gaoling were only the end-product of an informal system of power related to the penal clauses:

... even the initial threat of their insertion can be enough to bring some unions to heel, and, if it has been inserted, the threat of the use of the penal powers can persuade some unions not to support industrial action by their members or to break oif industrial action that has been taken.

The effect was to make it impossible for any departure from the agenda which had been established, at the employers' discretion, as the controlling agent of the work relationship. In 1970, section 109 was repealed and the Act modified. Disputes were not so readily submitted to the Industrial Court, but remained in the hands of the arbitration commissioners. Under section 32 of the Act, the commission is given power to include a strike-bans clause in the award which legally prohibits strike action. This is not an unusual procedure since most awards have such clauses written into them at the time of negotiation. Section 33 sets out the steps which have to be taken by an employer in the event of complaint regarding a breach of the award. If the employer seeks to invoke the bans clause, a Presidential member of the commission must be asked to issue a certificate authorising the employer to proceed to the Industrial Court. If the court decides against the union, a maximum fine of \$1,000 or \$500 per day can be imposed for the conduct of any strike declared illegal.

There has been no occasion on which these fines have been imposed, the implication being that the presidential member prefers that the full

recourse of conciliation or arbitration be exhausted before the court is approached. In the virtual absence of penal provisions, an employer is faced with the prospect of an appeal against the union's registration, a step which the commission would be loathe to take except in extreme circumstances. However, it would be wrong to presume that the arbitration system as a method of power is now defunct. Provisions do exist and can be invoked in order to control the limits of an industrial dispute and the preserve of managerial prerogative. Largely, the issues which can be legally admitted to the agenda are still connected with matters of wages and conditions.

Wages and Conditions

Until 1968, the Australian wage was composed of three segments. There was a basic wage, a margin, and the over-award payment. The basic wage and the margin, together, constituted the award wage, below which it was illegal to employ labour. This was qualified by sex, job classification, and geographical location of the worker. The over-award payment is any amount over and above the legal minimum which employees are able to negotiate with employers, personally or through a trade union. The commission has insisted that it is not concerned with the amounts actually paid to the workforce, that is, with over-award payments. Instead it has confined its area of interest to determining the minimum amount that industry must pay, not the maximum amount that it should pay.

In determining these minimum amounts, the commission has wavered between the application of two separate principles. Separate precedents allow wages to be determined according to the "needs of the worker" or according to "the economic capacity of industry to pay". As a general rule, the needs principle has been applied to the basic wage while economic capacity has been used to determine the margin. However, in some

cases it has been difficult to define the exact principle which was used in the determination of an award. For example, the needs principle which was established in the Harvester Case by Justice Higgins was supported by the practice of automatic wage adjustment in the Gas Employees' Case of 1921 and by the introduction of indexation in 1934. This meant that there was provision in wage determination for an alteration of the basic wage according to shifts in prices, the assumption being that changing prices reflected changing needs. In the 1953 Basic Wage Case, the whole system of indexed wage increases was abandoned on the submission of employers in a period of inflating prices. Inflation would have created grounds for more substantial increases than were granted and so there appears to have been a recognition of the incapacity of industry to withstand wage increases. That is, the needs principle was rejected in favour of economic capacity.

The margin was established in the Engineers' Case of 1924 as the amount to be paid to the worker as reward for skill involved in the performance of work. The economic factor was introduced by limiting the value of the skill to some obtruse notion of a labour market for skills in the relevant industries. The practice developed whereby the work of a fitter in the metal trades industry was taken as a guide for the determination of comparative skills in industry as a whole. This established a status hierarchy with tradesmen at the top and the semi-skilled and unskilled at the bottom. Tradesmen expressed concern whenever they felt their status was being eroded through a change in the relativity between occupations in terms of wages. Where an imbalance in the relativities posed a threat to their position in industry, the craft-type unions would seek a review of the Metal Trades Award or the scaling system.

If the union considered that the arbitration system had failed to maintain relativity, it could always seek to adjust the amount actually paid to its members by an informal approach to employers. These negotiations resulted in the creation of the third unit of the Australian wage, the over-award payment. For the employer, the only significance of the status hierarchy in industrial occupations is the effect it can have on the level of wages paid to the semi-skilled and unskilled. By refusing the demand for over-award payments for the skilled, wages paid to the lesser categories in the wage hierarchy can be suppressed. If they are granted and where the unskilled are organised enough to enforce demands, a spiral can be set in motion with the skilled demanding even greater increases to restore relativity. So long as the legal minimum under the award is being paid, however, the employer can rightfully refuse to concede the over-award demand. Whatever powers are available through the arbitration system can be invoked if there is further union action as a result of that decision.

In national wage cases, employers and unions have developed different strategies in the presentation of evidence. Unions have wanted economic capacity defined in terms of the amounts which are actually being paid at the time of the submission rather than economic changes since the previous decision. This would require official recognition of the over-award payment as a part of the wage and a change in the commission's approach since it would be dealing with the maximum rather than a legal minimum. Employers have sought a rejection of the needs principle and a limitation of the economic principle. With this limitation, economic capacity would refer to some notion of collective ability on the part of industry in capitalist society given a particular authority structure in which managerial prerogative includes the amount of profit to be returned as capital.

The needs principle appears to have been rejected in 1967 with the abolition of the basic wage after several submissions by employers to that effect. The limitation on economic capacity as a principle depends on the extent to which the arbitration commission refuses cognizance of its role in the economic affairs of the country. It has consistently rejected the notion that it should be the "economic watchdog for Australia" (Sixteenth Annual Report of the Arbitration Commission) and still insists that it is concerned solely with settling industrial disputes. This means that the commission is not willing to pass judgements on issues which are still considered to be within the area of managerial prerogative. How much in the way of company profits should be returned to the worker is not thought to be within its jurisdiction as an industrial matter.

However, the commission appears to be willing to expand its definitional framework on certain occasions so long as its position within the employer-employee relationship is not compromised. For example, in the ruling by Mr Justice Gallagher in the Marine Cooks Award, 1966, it was suggested that there were grounds for intervention by the commission in the dispute over manning rates since it was important for equanimity to be immediately restored. In this case, the proposed reduction in manning rates was considered to be a matter which effected the conditions of employment. The decision can be interpreted as an erosion of managerial prerogative, but it would still be necessary for the union to establish legitimate reasons for objecting to management's decision. To date, it is uncertain where the employers' responsibility lies in this respect. If a reduction of manning levels involved a safety factor, for example, the commission could rightly intervene. If the manning rate is reduced by way of retrenchments in economic recession, it might be possible for the decision to be disputed on the grounds that it was outside the commission's jurisdiction.

The Industrial Reserve and Arbitration - A Comparison

The post-war immigration programme has provided employers with an army of industrial workers which has been considered as the basis of power in work relationships. Unless there had been a flood of migrants into Australia, it is unlikely that economic expansion would have been so effortless. If labour had not been a freely available commodity, competition amongst employers could have led to greater increases in the over-award area of the wage than, in fact, occurred. In the absence of migrant workers, the cost of labour might have reached a level where it was impossible for the employer to realise interests by further investment in expansion.

As a form of power, some qualifications must be added to the reserve army hypothesis. First unemployment is not connected solely with immigration policies. Investment trends, for example, create a rural unemployed which is only indirectly associated with the presence of migrant labour in urban centres. Second, the unemployed may not be an undifferentiated industrial workforce, but more of a reserve to particular industries and, perhaps, to industries in set geographical areas. Third, it cannot be assumed that the Australian workforce, including migrant labour, is defenceless, ill-organised, or powerless within the notion of a downtrodden reserve. Fourth, it is a form of power which is more applicable to a level of class analysis rather than the analysis of particular instances of industrial conflict.

By contrast, the system of arbitration provides a basis for the exercise of power by all employers, irrespective of size or status. By relying on the definitional framework of the Act, employers have been able to determine the interests which workers can realise in the employer-employee relationship. The manner and extent of realisation depends

on the treatment of the wages and conditions issue, while the fate of counterfactual interests is determined according to a legal recognition of managerial prerogative. This power can be exercised by individual employers in particular interactions or by employers as a collective over workers as a class. Furthermore, it can be exercised in the form of a direct action before the court or as a threat to utilise institutional weight by way of deregistration.

Arbitration is a pervasive form of power which enters all Australian work relationships and can be as difficult to identify as silence must have been in the study of Gary (Crenson, 1971). Nor has the virtual suspension of the penal clauses made the task any easier. Any exercise of power based on arbitration would now seem to consist of the reputation of employers to maintain a "hard line" in work relationships. This can be a blunt refusal to meet wage demands as well as a readiness to invoke whatever powers are available through arbitration. It is this readiness which has so clearly typified the change in policy by the Master Builders Association and which led to the deregistration of the Builders' Labourers' Union. The reputation for a "hard line" can also be a residue of the absorption crisis in 1968. At that time, one association, the Metal Trades Industry Association, attempted to act on its reputation for power by openly displaying its value-system in regard to work relationships.

The Metal Trades Industry Association

The term "Metal Trades" is a loose description of any industry connected with the processes involved in converting raw metal into finished products. These industries include foundries, moulding and polishing shops, structural engineers, boilermakers, and sheet-metal works. In size, they range from the employers of a few tradesmen through to the largest employers of labour in Australia. Some of the

companies are General Industries Limited, A.N.I. Industries, Malleys Limited, and Rheem Australia. Representing this section of the manufacturing industry is one main employers' association, the Metal Trades Industry Association, and several trade unions. These include the Amalgamated Metal Workers' Union (formerly the Amalgamated Engineers' Union), and the Federated Ironworkers' Association.

Ideology

The Metal Trades Industry Association, unlike most employers' associations, was established principally to represent the Metal Trades employers in the arbitration system. As soon as it had registered under the Federal Act in 1926, it served a log of claims on disputing unions in the industry and established the Metal Trades Award. At the time, the Award was recognised as a breakthrough for arbitration since it streamlined wage determination. Having proven its usefulness to the employer, the association grew in both size and influence. An important aspect of this growth was the development of the Metal Trades Journal from a few loose sheets listing variations in the award to a substantial publication outlining the association's policy and activity.¹ Together, these journals represent a body of literature which can be used to evaluate the association's ideology and doctrine, especially

¹This belies the conclusion by Niland (1964) who describes a 16 per cent response rate to a postal survey on 180 employers' associations as "some indication of the unwillingness on the part of employers' associations to disclose and publicise their activity". The majority of associations have neither the funds nor the resources to publish material, while a good many are so limited in their activity that there would be little to publicise. The larger associations publish a large range of material, which is freely available, and will permit access to all minutes of meetings except for the most recent. Their "unwillingness" is more a lack of attention from a social science devoted to the analysis of trade unions.

in regard to the employer-employee work relationship. This ideology is based on three main beliefs, each associated with the prevailing structure of authority in Australian industry:

1. Any attempt to change the prevailing structure of authority in industry is politically motivated and does not reflect on the nature of work.
2. The Conciliation and Arbitration Commission must recognise that the prevailing authority structure is under continuous threat from socialist forces in society and must act so as to preserve private ownership. If necessary, the commission should invoke its full powers in order to safeguard these interests.
3. The interests of the worker, exhibited in the demand for increased wages, must be realised within the stated economic capacity of industry. Failure to exercise power over these interests will result in undue strains on private ownership and the structure of authority.

The main threat to industry was seen to be a radical section of the Amalgamated Engineers' Union (not to be confused with the Australian Engineers' Union). The AEU later became the Amalgamated Metal Workers' Union, but until 1973, it was a branch of the parent union situated in Blackpool, England. The finances and some major areas of policy were tightly controlled by Blackpool with the result that some of the internal developments of the Australian union paralleled the British movement. During the First World War, for example, the British union developed a more revolutionary interpretation of the role of the shop steward in the employer-employee relationship. It saw the steward as the vanguard of an unmitigated attack on an authority structure which placed the employer in control of the worker. After the war, this

interpretation was promoted by a section of the Australian branch, but gained little support from the majority which saw the steward as a mediator between employer and employee. By the 1960s, however, the more radical interpretation gathered momentum in the form of shop committees. According to Sheridan (1975: 41):

To many employers and to the more pacific minded union leaders of other unions, the Committees seemed to promote the influence of the AEU and other militants within the workshops. The employers pointed to the "communist threat" in the Shop Committees and the way in which they by-passed "responsible unions".

These Committees were the cells of the shop steward movement and the network of communication between the AMWU and the shop floor. Their growing importance for the development of the union's aim of workers' control is reflected in the resolutions passed in the 1976 State Conference. These included a motion that any log of claims served on an employer by the Committee or by the State Council should include the Shop Stewards' Charter. This charter included paragraphs dealing with eleven "rights" of the shop steward: the right to call stop work meetings, the right to freedom from dismissal, the right to negotiate with management on any "matter affecting the employment of members", the right to six months per annum leave on full pay, the right to negotiate written contracts with the employer, and the right to "have adjacent to his machine or bench suitable cupboards and furniture to enable him to keep records, etc. and to efficiently carry out the union's responsibilities". (Source: AMWU.)

Between the two wars, the Metal Trades Journal (MTJ) carried editorials condemning the "direct action" of employees in the industry (MTJ: 30 April 1937; 26 June 1937). However, it was not until the 1940s that this action was linked in any consistent way with political developments. In a two part article in November 1941, Committees were clearly identified as being "communist inspired" and a threat to the

future stability of industry in a free capitalist society. The hope was expressed that, in the foreseeable era of peace, Australia would be rid of the political developments which were hindering the proper conduct of free enterprise in overseas countries. Predictably, the perceived relationship between Committees and socialism reached sensational proportions by the end of the decade. Committees were described as "too easy a means for loafers, moaners, etc. who exert their unwanted influence over reasonable employees" (MTJ: 2 January 1945). The Institute of Public Affairs was accused of having made "common cause with the Communist Party" for advocating the development of Committees (MTJ, 1 September 1947). Employers were exhorted to "Get Rid of our Reds" (1 September 1948). In 1953, the International Labour Office was described as a "breeding ground for state socialism" at a time when it was investigating the position of labour in post-war economies and developing countries (MTJ, 16 March 1953).

The threat to the authority structure was not expressed in terms of a loss of control or power because this would probably have strained the credibility of the employer members. At that time, the "communist threat" was some vague movement within society and not an attempt to control the workshop, the machines, or the management of work. More realistic were the incessant demands for wage increases. The association used these demands as a link between overt union activity and the political threat to private ownership. Thus, any wage demand became communist inspired, any organised bargaining an indication of the breakdown of authority. For example, the round-robin conducted by the Australian Council of Trade Unions (ACTU) between the Metal Trades Margin Case of 1954 and the Basic Wage Inquiry of 1959 was described as "the ACTU's plan to cause wage warfare amongst employers. Having coerced a single employer in a selected area to increase his wage contribution, the organisers of

the scheme turn to others insisting on wage increases to equal the first" (MTJ, 15 October 1958). Employers were warned of the dire consequences of dealing directly with the union movement, to direct all negotiations through the association, and to adhere strictly to the guidelines set down in the award. This was part of a "Four-Point Creed" published in 1959 which included: (1) Labour costs based at all times on industry's capacity to meet them in the face of external competition, and (2) An adequately protected home market (MTJ, 2 November 1959).

The approach of the association to trade unions mellowed in the 1960s as it became less popular to identify socially directed movements as "communist". Instead, it adopted the low-key argument that unions, by taking direct action, were denying their members the benefits of arbitration. The association was assuming that the interests of the worker could be realised through the arbitration system and, in turn, within the economic capacity of industry. Therefore, it was the continuing policy of the association to publicly support the commission although this support was qualified. It depended on whether the commission, through its judgements and decisions, upheld the prevailing authority structure in industry. The implication was that any softening of the commission's position on recalcitrant trade unions would lead to industrial anarchy.

Where the maintenance of a hard line was not in evidence, the support quickly gave way to open condemnation. For example, in 1937, it was suggested that the arbitration system was "a sound one and that it would be a permanent feature of the Australian legal system (MTJ, 30 April 1937). Ten years later, in 1947, the court reduced the working week from 44 hours to 40 hours. The association described the Order as evidence that the court had made "full and frank admission that they were influenced in their decision by the attitude of political parties"

(MTJ, 15 September 1947). In the following year, condemnation of the court reached a point where the association was fined £200 for contempt (MTJ 15 December 1948). The arbitration system was then described as being "due for remodelling" (MTJ, 1 January 1949).

The same strategy of advancing support and then threatening withdrawal was adopted by the association in the events surrounding the 1966 Wage Case. Then, the system was described as "having evolved into an instrument of economic policy" when it foreshadowed the abolition of the basic wage (MTJ, 30 April 1937). This was a gratuitous interpretation of the commission's role and a thinly-veiled attempt to influence the principle to be used in the acceptance of a "total wage". It also seems that the association saw the following judgements in the 1967 Wage Case and the Metal Trades Work Value Inquiry as tacit acknowledgements of the association's ideology and the economic principle. In the Inquiry, the commissioner was placed in a double-bind because the work-value study indicated that increases to the award should be granted. However, evidence submitted by employers suggested limitations to the increase. In order to resolve the conflict, the commission took the unusual step of urging employers to "absorb" the increase in the over-award payments. This meant that although increases were officially granted, there would be no change in real wages. According to Mills and Sorrell (1975: 169):

The two majority members of the Commission hoped, and perhaps expected, that the increases would not be passed on in full ... Indeed, it was suggested that if employers found that by adding the new increases to existing overaward payments, they strained their own economic capacity, then, in effect, they had only themselves to blame.

To the association, it appeared that employers had been granted a legitimate way of mobilising power over the determined interests of the worker. However, the exercise of this power depended on the extent to which the employers refused to pass on the increases and, instead, absorb them in the existing wage. To this end, the association immediately

issued a circular urging all members to "heed the Commission's intentions by absorbing the increases" (MTJ, 15 January 1968). It then extolled the value of arbitration, suggesting that there was renewed interest "overseas" in the workings of the system (MTJ, 15 January 1968). However, the exercise of power was only partly successful. As soon as employers announced their intentions to absorb increases, there were mass strikes. These started on the 18 January and culminated on the 6 February 1968 with a 24 hour stoppage involving 20,000 workers (The Australian, 6 February 1968). The association complained that the commission was not using its powers to stop strikes and applied for a blanket no-strike order for its members under section 109 of the Act. When this was granted, it became illegal to conduct further strikes. Between January and February alone, a total of \$52,000 was imposed on unions after they defied the strike ban (Sydney Morning Herald, 9 February 1968). The Court presided again on 21 February and ruled that 30 per cent of the wage increase could be deferred until the following August in recognition of the failure of absorption and the "burden of the increased rates on industry" (SMH, 22 February 1968).

The association attributed the failure of the absorption strategy to the Commission which "turned its back on well established principles" (MTJ, 1 March 1968). Instead of advocating absorption, the court, it was suggested, should have rejected the increase. Alternately, the association could be blamed for having failed to grasp the consequence of supporting the Commission in a way that was too easily interpreted as crass expediency. By publicly advocating absorption, the association was confronted with, not the various metal trade unions, but the collective strength of the ACTU which took control of the dispute on the 9 February 1968. Although none of the association's members rejected the protection of the blanket strike ban, there appears to have been a divergence on the

original issue of absorption. This did not amount to a split in the membership, but it meant that the association could not hope for a united front against the organisational force of the ACTU. Some of the members appear to have granted the increase in full while others immediately refused. The association, like all employers' associations, refuses to disclose its membership, although it is possible to identify the behaviour of particular members by examining the structure of the association, especially its voting procedures.

Structure

In employers' associations, there is no equivalent of the cohesion which can be maintained in a trade union with threats of ostracism or expulsion. If this were attempted on a member of the MTIA, it would be pointless since the Associated Chamber of Manufactures or the State chambers of that association would be more than willing to offer the same services at competitive rates. However, it is remarkable that in the entire history of the MTIA, the absorption crisis is the only occasion when there was any notable difference within the membership. Even so, the decision to apply for a bans clause appears to have been unanimous judging from the photographs of the crowds attending the mass meeting in the association's rooms (MTJ, 15 February 1968). The history of consensus is all the more remarkable in the MTIA since, structurally, the association is open to the development of lobbies espousing divergent ideologies.

At the time of the 1967 Inquiry, the association retained the same basic structure which had been established in 1927 as the Metal Trades Employers' Association (MTEA), although it had expanded greatly. The MTEA consisted of a paid staff which formed a hierarchy under a Director who was responsible to an elected president. The nucleus of

the association was the Sydney office, but branches existed in Queensland, Victoria, and South Australia. Each year, the member companies participated in a postal ballot for the election of a council. The council still consists of delegates from the elected companies who elect a president, vice-presidents, secretary-treasurer, and deputy president. In 1969, a further level was added to the collegium with the formation of the national executive. Each of the state branches retains a state council which meets to elect the national council. In turn this elects delegates to the national presidency and other positions at the Federal level. The entire body is now called the Metal Trades Industry Association (MTIA). By the constitution of the association, the term of presidency at both levels is limited to two consecutive years of office while the position on the council at state level must be retained in order to hold the Federal position.

Since it is a collegiate system of voting, an elite would be expected within the structure of the association. I suggest that it is the formation of an elite by way of this system of voting that protects the association against the emergence of divergent interests within the membership. It does this by ensuring that entrants to the elite maintain a managerial ideology which is consistent with the association's ideology. This observation can be tested by examining the pattern of voting for positions on the councils and for the position of president.

According to Mr Hammond, a retired legal officer who helped frame the association's constitution, the intention behind the collegiate system of voting was to maintain a "continuity of policy" by having the elected executive decide on the positions of office. "The general membership wouldn't know who was best for the job, whereas the council has a good idea of who's available and who would fit in". He suggested that one of the difficulties in attracting member companies onto

the council was the workload that the delegate was expected to carry. They were asked to perform their duties with the association while, at the same time, fulfil their functions within the company.

It's all right for those who are in a position to take time off like Mr Kirby (of James N. Kirby Pty Ltd), but not all companies can afford their men. Mr Kirby was virtually retired when he sought office although he was still quite young. For the others who are not in that position, it is a very busy life indeed. Some companies are good enough to release their delegates from managerial duties for a period of up to a year, but this is not often the case.

(Personal interview)

From the results of elections dating back to 1926, it is apparent that some companies have been particularly cooperative in releasing their delegates from managerial duties. For example, General Industries Limited (formerly Metters Pty Ltd) had an unbroken record of service on the council from 1926 to 1970. Babcock and Wilcox Ltd had a record which was unbroken during the main period of involvement in Australia up to 1963. Furthermore, there are a number of companies which, in the seven years of office between 1961 and 1968 were consistently elected to the council of the MTEA and then to positions of office. These companies were:

General Industries Limited
 Federated Engineers Limited
 Wunderlich Limited
 Cyclone Company of Australia Pty Limited
 Rheem Australia Pty Limited
 Standard Telephones and Cable Pty Limited.

For elections to the council, the how-to-vote card lists only the names of the companies which have sought nomination. According to Mr Hammond, "the membership will always vote for the larger companies on the card because they carry more prestige and because the voters know that the large company can spare their men for the duties of the

association". The list of companies on the council is evidence of this bias. The above companies, for example, are large by Australian standards. Within the council, voting for the executive positions is conducted with a different how-to-vote card. This provides the name of the councillor, his position in the company, and his past performance with the association.

According to Mr Mendel, the association's economist, it is unlikely that anyone less than the company's director or else a very senior executive could be elected as president, even if they had gained election to the council. "For those positions, it has to be someone who is capable of making high-level decisions. An executive from the lower rungs would not be in a position to make the decisions which are required in the name of the company". Mr Hammond agreed that the councillor's position in the company was a formal qualification for the presidency, but suggested that there were also informal ones:

It would be impossible, particularly in this association, to have a president who had not proven himself in the field of industrial relations. Alternately, there would be no use having decisions made in the association if they aren't being followed through in the president's own companies. He has to fit in.

Within the association, therefore, two voting systems exist as well as two sets of selection criteria. The general election is an impersonal vote based on the criteria of largeness while elections in the collegium are highly personal and depend on the criteria of industrial performance. As a general rule, small companies would not be elected to the council even though the director or the upper executive fulfilled the qualification of industrial performance. However, this interpretation of the elite is from the viewpoint of a non-elite company seeking entry. The other viewpoint to be considered is that of the elite wishing to recruit new members. Supposing a company had the desirable qualifications for elite membership, but not

the size for immediate election to the council, the potential recruit could be excluded at the general election. Control of recruitment to the elite would seem to be restricted to elected council members.

However, there are two devices which the elite can use to influence the general election. All members in the association belong to a geographical section corresponding to industrial zones. For example, there is a waterfront section, a Parramatta section, and a Southern section. Each of these sections has a council arrangement, completely autonomous of the general council, and geared to participation by middle management. It is a device for the dissemination of information from the association to the middle ranks of the company, but it could also be used to indirectly create a desirable image for a medium-size company within the general membership. Elections to these councils are not governed by any exacting electoral procedures and would be open to the direct influence of the general council.

Another mechanism for elite influence is the position of advisory councillor. Advisory councillors are attached to the general council in a non-voting capacity, supposedly to gain some understanding of the procedures involved in the association. In fact, these procedures are nothing more than the normal rules of conduct in any association. Instead, the function of the advisory councillor role is that of indicating to the general membership, the companies which the elite wishes to have considered for full council membership. According to Mr Mendel, company delegates spend two terms by invitation as advisory councillor and are "then assured of a fairly safe seat on the council". An example is Mr Kirby of James N. Kirby Pty Ltd who spent the 1966 and 1967 years of office as advisory councillor and then went on to hold a high office in the council.

Based on these voting procedures, it is possible to make two broad predictions regarding the performance of companies in the association:

(1) If a company which is already on the council changes its delegate, there should be no repercussion on the company's chances at the following election. Providing that the company is large, it will survive the change in delegates because the membership will use largeness as the criteria for selection rather than any personal criteria. Thus, companies remain on the council even though the managing director retires or the senior executive resigns. For example, in the unbroken history of office from 1926, General Industries Limited was represented by Mr Spring until 1947, by Mr Hyndes for the following three terms of office, by Mr Spring again until 1958, and then by Mr Clarkson until he left the company in 1970.

(2) If a delegate changed from one company on the council to another already on the council, there is a good chance that the delegate will reappear on the council. This is assuming that his new company nominates him as delegate after it gains selection at the general election. Even if the delegate changes to a company which is not on the council, there is a good chance of reappearing at the following election so long as the new company has the merits of largeness. For example, Mr Losch represented Le Tourneau Westinghouse Pty Ltd in consecutive years of office from 1950 to 1965. He joined Tutt Bryant Pty Ltd and the company was nominated for the first time that year with Mr Losch as delegate.

The latter case introduces some confusion because, unless there is some external measure of largeness, it would be difficult to establish, on an a priori basis, the criteria which was used to select the company. It must be concluded that Tutt Bryant was a large company. However, there are other examples of a delegate changing companies where this

conclusion would not seem appropriate. For example, Sir John Massey-Greene was the delegate from Austral Bronze Crane Copper Pty Ltd until 1961 and the delegate from Lawrenson Alumasc Pty for the following two years of office. Lawrenson Alumasc was not a large company in terms of employees although it was significant enough in the metal industry to be incorporated into the A.N.I. Industries conglomerate in 1965. During the two years that Massey-Greene represented the company, Austral Bronze was not elected, probably because it did not seek nomination. In the years of office after 1965, however, Austral Bronze was represented by a Mr White and then by a Mr Cartledge.

In this case, it is difficult to distinguish the criteria which the membership would have relied on to elect Lawrenson Alumasc. Possibly the prestige of Massey-Greene instead of the prestige of the company was the determining feature. Such prestige would need to be substantial since it would mean that the general membership was capable of distinguishing a company which had never been involved in association politics as being under the control of a particular director. This means that it could be the ideology of the delegate which is valued rather than the size or prestige of the company.

A more definite statement regarding a delegate's ideology can be made if the councillor holds office, for example, the presidency, changes companies, but retains office at the next election. Previously, the only consideration has been whether the company or the delegate would retain position on the council. If the council elects the delegate to the presidency after a change of companies, it would seem to be a firm indication that the qualities of the man, as distinct from the qualities of the company, were valued for the position. Otherwise, the council could take the opportunity of the change in companies to depose the presidential contender on the grounds that the company, not the man was important.

Only once in the history of the association has an office-holder changed companies. From the 1959 year of office, Mr J. Clarkson represented General Industries Limited as councillor and in 1967 and 1968, served two terms (the statutory limit) as President. In the following two terms of office, he served as National President and thereafter as Deputy President. In 1971, Mr Clarkson was appointed to the managing directorship of Alcan Australia which had been represented by Mr Berriman on the New South Wales Council since 1969. Mr Clarkson replaced Mr Berriman and continued to hold office as Deputy President on the National Council. For all terms of office since 1971, he has been elected to the National Council and has retained his position on the New South Wales Council as required under the constitution. In this case, the New South Wales Council could have refused to endorse his candidacy to the National Council even though Alcan gained election.

Even if the connection between association ideology and managerial ideology is considered to be tenuous, it can be seen from the performance of Mr Clarkson in industrial relations that, at the very least, he has never been a disappointment to the association. In 1954, Mr Clarkson approached General Industries with the Australian manufacturing rights for the Admiral range of electrical products. A jointly-owned company was registered and Mr Clarkson appointed as a director of General Industries. In 1958, he was appointed as the managing director. He probably had his first major confrontation with the union movement in 1957 when there was a 14 week strike at the Metters plant in Sydney. Ostensibly, this strike was conducted by the Amalgamated Engineers' Union (AEU - now the Amalgamated Metal Workers Union), but according to Sheridan (1957: 280), it was one of the first notable stoppages arising from the activity of Shop Committees.

During the absorption crisis, Mr Clarkson was one of the first to refuse the increase and insist on absorption in all of the twenty four factories under his control. When employees walked out of those factories, he was reported to be "unconcerned" and suggested that "the court had the power to stop strikes but they just don't use it to the full. There is a too ready acceptance by the court that strike action is acceptable" (The Australian, 6 February 1968). In his position as president of the MTEA, he directed the application for the strike-ban stating that the association "would be abdicating its responsibilities to its members, to industry, and to the community if it failed to use all the legal processes available" (The Australian, 25 January 1968). After the crisis was over, he complained that the commission had used the Metal Trades industry as a "testing ground for economic experiments" and advocated changes to the arbitration system (SMH, 10 September 1968). He also suggested that "communists and other militant leaders have skillfully used emotional appeals to gain the support of many, but by no means all, trade unions ..." (MTJ, June 1969). Significantly, the Federated Ironworkers' Association agreed:

The leaders of the MTEA and the Federated Ironworkers Association gave separate but strongly worded warnings against campaigns to settle industrial disputes by strikes instead of arbitration. Mr Clarkson said that a "brazen attempt" was being made by militant and powerful unions to destroy arbitration.

(SMH, 3 June 1969)

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In the absorption crisis, the MTEA adopted a strategy which reflected its ideology regarding work relationships. However, it appears to have gained nothing from the attempted exercise of power apart from a tarnished public image. The circular that was distributed to members urging them to absorb the increases was described as a "deliberate provocation ... a distorted analysis" (The Australian, 17 January 1968).

When Mr Clarkson announced that "it was now 'much more likely' that the metal increases would be paid on top of over-award payments", it was suggested that "there had been virtually a reversal of the association's stand on absorption" (SMH, 24 February 1968). However, the importance of the MTIA cannot be underestimated. According to Mr Walker of the Associated Chamber of Manufacturers:

The proposed amalgamation of employers' associations, the Australian Confederation of Industry, probably would not eventuate unless we had the co-operation of the MTIA. It is an important association because of its specialist knowledge in the field of industrial relations and because of the reputation it has in a very influential area of industry. Even so, I doubt that the Confederation will come off this time mainly because of the personality problems involved in any amalgamation.

(Personal interview, August 1976)

It would be an interesting study, although beyond the present thesis to examine the nature of these personality differences. I feel that the reputation of the MTIA could be in sharp contrast to that of the Central Council of Employers, for example, and that the association could experience difficulty in accommodating to different proposals for work relationships. The MTIA gained its prestige at a time when Australia was still experiencing the benefits of scientific management. Whatever the application of those principles in current work relationships, the prospect of culture lag must eventually confront an association intending to facilitate the exercise of managerial power. When this occurs, and presuming that there is a connection between managerial ideology and association ideology, a position of office in the association could be a liability for management rather than an asset.

It would also be interesting to examine whether the association can exercise power through political lobbying by influencing changes in the structure of the commission and the composition of the court. From a cursory observation, lobbying on industrial matters has been confined to articles in the journal, letters to ministers, and invitations to

luncheons. The main political lobbying of the association appears to be unconnected with the industrial field, but more an expansion of the commercial. The association has always maintained an advisory service on tariffs for its members, but in 1969, Mr J. Back, formerly the Australian Trade Commissioner for New York, was appointed to the staff. Extensive office facilities were also constructed in Canberra. However, unless Mr Back has adopted a generalist approach to lobbying, it can be assumed that the interests he is seeking to maintain are in relation to matters of tariff protection, subsidies and taxation, rather than immigration or industrial relations. Therefore, if power is exercised through political lobbying, it does not appear to be at this level.

Conclusion

From this general survey of work and power, it can be seen that employers in Australia have been provided with the institutional means for determining workers' interests by way of the arbitration system. Employers' associations have capitalised on this form of power by extending its exercise as a service to member companies. This service is available for the cost of the membership fee and, if necessary, the cost of litigation. Lately, this power has been eroded because the commission has been unwilling to repeat the events which led to the O'Shea confrontation. Furthermore, there is evidence of a changing interpretation of managerial prerogative. The agenda for the conduct of work relationships has been expanded, but I feel that it would be gratuitous to see this as a portent of pluralism. Manning levels, for example, could be an industrial matter debated by both employer and employee although it remains an issue which is on the fringe of legal acceptability. Even if such issues were eventually accepted, the process of acceptance or rejection is not one which is compatible with

the notion of an industrial democracy, at least in the sense intended by Pateman (1970). Therefore, serious doubts should be expressed regarding the development of Australia as a participatory society.

Considering the power which is still available by way of arbitration, the ease of its mobilisation, and the cost of its exercise, recent developments in the system deserve closer attention. The arbitration system, from an early stage of its development, underwent a process of "industrial involution" (cf Geertz, 1971) by concentrating on a particular interpretation of work relationships. Until recently, it has simply elaborated on the internal dynamics of that relationship without any overt concern for the implications in terms of power. The commission could always argue that this aspect of industrial life is not a matter which is within its jurisdiction. However, this misses the point as much as the commission's insistence that it performs a specific, non-interventionist role in the nation's economy. It may not have been designed for the task, but it has made and continues to make decisions of major economic importance. Similarly, it has made decisions of major social importance while denying any sense of noblesse oblige.

In view of its traditional role in society and its interpretation of work relationships, the informal action which the commission appears to have taken in regard to the remaining penal powers is most interesting. Even more interesting is the unusual consensus between trade unions and employers' associations in relation to the proposals for an Industrial Relations Bureau (SMH, 15 March 1977). Given the present flux of opinion regarding the arbitration system, questions must arise concerning its viability as the dominant instrument of managerial power. Some employers have faced this question with a reaffirmation of support for arbitration in its traditional format, seemingly a possibility with

the Bureau. The Broken Hill Proprietary Limited is one such company (The Australian, 21 December 1976, 2 May 1977; Financial Review, 2 May 1977).

Other employers have sought the benefits of innovations to work relationships which transcend the types imposed by arbitration. Where there has been an adoption of human management types of relationships, however, there has not necessarily been an outright rejection of arbitration as a form of power. Instead, it is relegated to a support role for new forms of power which are created by a restructuring of work organisation and by training programmes. An example is Alcan Australia Limited which is examined in the following chapter. Particular attention is given to the different methods of power which were available to management at the company's Kurri Kurri smelter during a three week strike.

CHAPTER SIX

WORK AND POWER AT ALCAN

Introduction

Until 1950, Alcan Australia was the Australian Aluminium Company Limited. This was established in 1939 and was owned by the Collins House Group, British Aluminium, and Alcan Canada. British Aluminium sold its interest, and now Alcan Canada is the dominant shareholder although Australian interests are still represented. On the production side, the company has its main plant at Granville, New South Wales, which was re-equipped in 1970 to increase output of extrusion. There are other plants in Sydney specialising in aluminium building products, foil, and transport equipment such as truck bodies. In other states, there are extrusion and fabrication plants including the anodising facility at Hamilton, Brisbane. The only smelter, however, is situated at Kurri Kurri, New South Wales in the Hunter Valley. This supplies raw metal to all of the plants in the form of ingots, bars, and sheet. Alumina for the company's smelter is obtained from the Gladstone refinery of Queensland Aluminium Limited in which Alcan has a 22 per cent equity (The Advertiser, 5 August 1971).

This chapter will concentrate on the organisation of work relationships and the exercise of power at the Kurri Kurri smelter. Kurri Kurri is situated in the Hunter region of New South Wales, a rural area which has always recorded high rates of unemployment. Furthermore, the decision to locate the plant there came at a time when unemployment was particularly high and when decentralisation of industry first became a political issue. Therefore, the reserve army hypothesis will be the first consideration and will be examined in relation to sociological

features of the Hunter Valley. Following this, the structure of work relationships at the smelter will be outlined before considering the methods of power which were utilised by management during a prolonged strike at the plant.

Kurri Kurri

Above all, the great depth of the coal seams in this valley, together with the almost unlimited resources of coal gave to all a sense of economic security. Whatever other mines might close, whatever other fields might become worked out, the Greta seams would go on forever! So the miners argued, and they flocked to Cessnock, making it the largest and most powerful coal-mining centre in the country. Today, Cessnock stands at the very hub of the industrial life of the Commonwealth; there is no unemployment, wages are high; money is cheap. Every day and night long coal trains, black sinews of war, rumble away to a world hungry for coal. There are still industrial disputes and temporarily idle mines, but never has the South Maitland coalfield been so vital to the life of the nation.

(Walker, 1945: 3)

If a visitor to Kurri Kurri approaches from the Cessnock direction, he passes through the coal towns situated on the Great seam. Among them are Abermain, Neath, and Weston. Generally, the impression is one of decay: many of the structures are collapsing or else retain their original coat of paint. These are not ghost towns, but towns that have seen better days. Even the once-generous layer of coal dust is now a fading monument to an industry which was the area's life-source and culture. Steadily, the mines along the Greta seam closed as it became more expensive to work the coal by underground methods. Between 1952 and 1966, the workforce employed on the South Maitland coalfields dropped from 6,559 to 1,442. This trend has continued so that in 1975 only four underground mines were operating and these employed a little over a thousand men (see Appendix, Tables 3 and 4). According to the director of the Cessnock Commonwealth Employment Service, Mr Flack, 1961 was the crisis point for unemployment in the Cessnock Region.

In that year there were a thousand men lined up here to receive unemployment benefits. In those days it wasn't all that much and at the same time, there was the recession which lasted until sixty-two or three. There was just no work around.

Many of the displaced miners moved into manufacturing although the opportunities in the local area were limited. By 1971, there was a total of 2,509 men from the Cessnock district employed in manufacturing, but only 954 were employed locally. (Appendix, Tables 5 and 6.) Between 1961 and 1971, the total effective increase in male employment in the available manufacturing workforce was 221 men. This was a contraction on the 1966 employment figure when the proportion of the workforce in manufacturing increased in the previous five years by 27.16 per cent. The most spectacular increase in this five year period was in female employment as opportunities opened in newly-situated textile and clothing industries. While female employment continued to rise in the ensuing five year period to 1971, male employment declined. This decline is reflected in the employment figures for the manufacturing industry situated within the area of Cessnock (Appendix, Table 6). Between 1969 and 1971, the number of males employed locally in manufacturing declined by 92. The figure would be higher if the number employed by Alcan was extracted. Alcan started operation at their smelter in 1969 and immediately engaged 200 employees, mainly men. This was progressively increased to a total of 294 employees. As Mr Flack suggested, the smelter was a "godsend" for the area. In a letter to the Department of Decentralisation and Development (28 March 1972), the Mayor of Cessnock, Mr Brown, described the effect of the smelter on the towns of Kurri Kurri and Weston:

It would be a sad blow to the life of the community which I represent if the import of aluminium caused a downturn in production at the smelter, and a calamity if economic forces caused the closing of the smelter.

(Minutes of Meetings, Cessnock Council)

According to Mr Maytrom, the former Deputy Town Clerk for Cessnock, the decision to locate the smelter at Kurri Kurri "was

politically motivated by the then N.S.W. Labor government in an effort to reduce the high unemployment on the coalfields" (personal interview). A closer inspection of the town alters the first impression of decay and reveals evidence of a cash inflow. There are a growing number of new houses as well as older houses which have received the standard restoration of re-roofing, cladding, and pebbling. In the shopping centre, there are new grocery chains alongside proudly restored hotels as well as a full complement of services such as a comprehensive and modern library.

Outwardly, therefore, Kurri Kurri might conform to the model of a community which could provide an industrial reserve to decentralised industries. Initially, there was high unemployment, followed by industrial investment and an increase in the community's spending power. However, there are qualifications to these observations which must be considered before the reserve army hypothesis of industrial power is accepted.

The first qualification is that, from the company's viewpoint, there were factors other than political motivation in the decision to locate the smelter at Kurri Kurri. There was an abundance of cheap land, strategically located, which was owned by the Crown and permitted unlimited future expansion. The smelter is a few kilometres from the centre of town, but is virtually hidden by a ring of natural bush. It was also possible to incorporate the smelter in the existing power grid of the State's electricity supply without extensive alterations. The smelter is a significant consumer of electric power since it draws 2.5 per cent of the total state power supply (The Electricity Commission of N.S.W.).

The second qualification is that the improvement to the township did not result solely from the employment provided by the smelter. It

will be seen that, for the size of operation, the smelter is capital intensive rather than labour intensive. The figures for the total number of males in the Cessnock area engaged in manufacturing and the number employed locally in that industry for the year 1971 shows that of the total of 2,509, only 946 were in the latter category. This means that 62 per cent of the manufacturing workforce travelled beyond the Cessnock area for employment. This trend was first noted by Holmes (1965) who described the commuter pattern between these "country towns" and Newcastle. He concluded that the towns were becoming the "dormitory suburbs" of greater Newcastle as people travelled to the central area for their work. During the day, the home was unoccupied as families spent eight hours a day working and up to four hours travelling to and from work. He suggested that the pattern was having drastic effects on family life and local society:

The coalminer's leisurely afternoon in the home, garden, hotel, or club has now been replaced by the commuter's late homecoming to a delayed evening meal, with little leisure before an early retirement to bed. The large once-crowded hotels and clubs now serve a week-day scattering of miners and pensioners and are transformed only by an active week-end social life.

(Holmes, 1965: 114)

A study by Saunders (1968) revealed a more complex pattern of commuting in the Hunter Valley than that detailed by Holmes. From a survey of families in different regions of the Valley, he found that in some towns, as low as 14.7 per cent of the total workforce was employed in the local area. For the Kurri-Weston area, 48.2 per cent of workers were forced to commute. Half of these worked in Newcastle while the rest worked in Cessnock, Maitland or the "Power Station Areas" of Wangi, Vales Point, and Munmorah (see Appendix, Table 7).

A similar study by Daley (1967) places the proportion of the workforce commuting from Kurri at 56.5 per cent with the same split between Newcastle and the other areas. The complexity of the commuting

pattern led Daley in a later article (Daley 1976) to dispute the "central place" hypothesis of urban development in the Hunter Valley implied by Holmes. Basing this later article solely on his earlier work, he suggests that the "dispersed city" hypothesis is more suitable. This would interpret cities such as Cessnock and Maitland as being separate developments in their own right autonomous of Newcastle. In support of this hypothesis, he describes the discreteness of the towns, their independence of Newcastle in terms of services, and the poor transport links between them.

Until the mid-1960s, transport from the outlying regions into Newcastle consisted of retired Sydney buses and a country spur-line as a rail link. The road was more suited to weekend jaunts in the vineyards than daily travel. Surprisingly, however, none of these writers envisaged the impact of the four lane expressway between the central industrial district of Newcastle and the outlying areas. This road was completed in 1971 and has reduced the travelling time to a mere twenty five minutes by private car. They also failed to envisage the effect of the increase in car ownership between 1964 and 1976. In June 1964 there was one vehicle to every three people in N.S.W. whereas in 1976, this has risen to one for every 2.3 people (Department of Motor Transport). The effect has been to place every worker with a car within commuting distance of employment. In Kurri Kurri it has become viable to live in the town and commute to Newcastle. It seems that the cheaper land has attracted people into the area with the intention of building at Kurri, but working in Newcastle. Fully serviced land can be bought for between \$4,000 to \$7,000 per block compared with up to \$15,000 for the equivalent block in Newcastle. There is a steady increase in the number of building approvals granted by the council, which, according to Mr Maytrom, probably outstrips the natural increase in demand from the town (Appendix, Table 8).

Even before the roads were improved, it is apparent that commuting to Newcastle had become a fact of life for the people of Kurri. This explains why most of the displaced miners were employed by the mid-1960s. According to Mr Flack (Commonwealth Employment Service), the effect of mine closures ceased to be felt by 1968. "After 1964, Newcastle couldn't get enough workers. Anyone who had been unemployed a few years earlier would have had work in some form, but some of them stayed out for mining work; that's the cream around here, better than a job on the council." Asked if he had any difficulty placing migrants, he assumed that the question meant non-British and replied "what migrants? There are some in Neath, but not many. In the past ten years, the population hasn't changed; it has always been Australian except for some who came during and after the war".

Newcastle has continued to be a sop for unemployment in the Hunter region, at least until recently. In 1976, it was realised that unemployment rates would be high and that displaced workers would have difficulty gaining employment. In an estimate of unemployment which the Newcastle Commonwealth Employment Service projected with the closure of the State Dockyard, a total of 3,854 workers was considered liable to displacement. The number of unfilled vacancies as at the 31 July 1976 was 24. As usual the semi-skilled and unskilled were the worst affected with a total of 2,746 being threatened with retrenchment and only 12 vacancies available. The rate of unemployment at that time was calculated at over 7.00 per cent of the Newcastle workforce with probably increases when the dockyard closed. (Details provided by the Hunter Valley Research Foundation.) However, these factors do not influence the events which occurred at the Alcan smelter in 1974 and 1975. At that time the unemployment in the workforce was more stable and lower.

Work at the Smelter

There are three main stages in the process of converting alumina (refined bauxite from Gladstone, Queensland) to aluminium. Each of the three procedures is housed in a separate part of the plant and can be classified according to their location. The locations are called the Carbon Plant, the Potline, and the Casting Plant.

Carbon Plant

Carbon blocks the size of large sandstone building blocks are made by mixing coke and pitch into a paste which is poured into moulds and baked in "earth ovens". The block is removed, cooled and a "rod" attached. The rod is a three metre high metallic conductor. The block is then suspended in the "pot" and acts as an anode in the conversion process.

Potline

The potline is 700 metres long and contains 120 pots, 60 along each side. In each pot there are 22 anodes suspended in molten electrolyte. Electric current flows through the anode, into the electrolyte, and then to the carbon lining of the pot. The electrolyte is ionised into aluminium and oxygen, the oxygen combines with the carbon to form carbon dioxide, and the metal falls to the bottom of the pot. The electric current also keeps the metal in a molten state so that it can be drawn off each day in crucibles. Each pot produces 1,000 Kg. of metal daily.

Casting Plant

The molten metal is transferred into holding furnaces where other metals are added and then drawn off as required. Casting is done automatically by a machine which pours the moulds, cools them, and then ejects the cast. Casts can be made for ingots, sheet, or extrusion.

Where the cast is for ingots, a machine then stacks the finished castings on to a pallet and straps them. All castings are taken from the plant to Granville, Sydney, by road transport for manufacture into aluminium products.

Throughout the plant, the key word is automation. This minimises the risk to which operators are exposed and the risk of damage to the plant. In the pot-room, for example, sensors are attached to each rod and transmit information to the company's computer. Operators go to a console in a separate office and take readings for each pot as to the state of the anode, the flow of electricity, and the temperature of the electrolyte. The pots are arranged in a series so that if one pot receives too much electricity, following pots in the series can be starved. This can result in a cooling of the electrolyte and of the metal at the bottom of the pot. If it is corrected in time, the flow of electricity can be restored and the cooling reversed. If cooling is allowed to continue, the metal must be removed with a jack-hammer, the pot relined, and the anode scrapped. Should the complete potline solidify, damage would figure in the millions and would take months to rectify. For this reason, the process is a twenty-four hour per day, seven day a week operation.

For the worker, automation means that he is often working in conditions which are more like a warehouse than a metal smelter. The heat can make the work arduous at times, but it is never exhausting. For example, it would not compare with underground mining even where it is fully automated. However, it is probably more dangerous. Any spillage of metal can be fatal because of the temperature and because it can short-circuit the pots making the shop floor "live". Apart from the danger, Mr Thomas, the personnel superintendent, suggests that the work is also alienating. When asked to define his meaning of the term,

he replied that the men can easily fall victim to boredom in the smelter. The levels of technology and the nature of the process meant that the men often finished all of their work, apart from some routine checks, by the first half of their shift. After that it is no more demanding than taking readings from the computer console or from the pots. "They end up getting bored and that's where it can become dangerous. It's a common problem in the aluminium industry, but especially here because it is the most highly automated smelter in the industry." (Mr Thomas)

The company aims to overcome this alienation in two ways. It has instituted a system of job enrichment as well as a training programme for all operators. The system of job enrichment is of the horizontal type described in Chapter Four and means that every operator is able to perform each of the jobs in the Carbon Plant, the Potline, or the Casting Plant. Taking the Potline, there are three teams on every shift, each being assigned to a third of the length of the room. On each team, there are five operators and a leading hand. Each of the men is able to insert the anode, bring the pot "on line", and draw off the metal. They must be able to read the computer, interpret the readings, and take the necessary action to rectify all faults in the process other than mechanical failure. This is the responsibility of an outside firm which bids annually for the maintenance contract at the smelter. Since the process involves the use of overhead and mobile cranes, each operator is required to train for the relevant Department of Labour and Industry Certificates. .

The training programme is given to each new worker and, currently, lasts for two weeks, full time. It has been developed from the time the plant was commissioned when none of the recruits had experience in the aluminium industry although many had come from the steelworks in Newcastle. Initially the selections were made on the basis of metal

experience because this created an awareness of the dangers involved in the process. The training could proceed in stages since the smelter did not operate at full capacity until 1971. Until that time, there were continuous lectures and discussion sessions on every aspect of the work as well as replays of video tapes showing the work in progress. These tapes were gradually compiled into a library comprising the work of each operator in the plant. They show the features of the operator's job which are most dangerous, the way to reduce his work load, and the way to complement the work of the team members. After reviewing the range of jobs in which he will rotate, the trainee operator is assigned to a work group where he received further informal training for about three months. After this time, he is reclassified as an Operator Grade One and received a pay increase. For the group, there is no real financial motivation to train the operator, but, according to Mr Thomas, "a very strong informal commitment by the team members to guarantee the safety of the group and a more equitable spread of the work load".

Job rotation makes the work more interesting and the training makes it safer. The turnover rate is negligible and the accident record contains only two serious injuries, but no fatalities. For management, there are also benefits. Because every operator performs the same range of tasks, one job classification can be used to determine a single wage for the entire plant. Trainee operators are paid a little less than this rate while those working on shift receive set loadings and penalty rates on top of the basic rate. The basic rate was related, in the beginning, to the going rate in the aluminium industry plus a differential for skill involved in a multi-job situation. Even for the aluminium industry, the system has been unique since it eliminates any internal conflict over the amount to be paid for particular work. In the Granville plant of Alcan, for example, there were about eight different

classifications of work and a different pay rate for each. By contracting the job classifications, the wages bill, according to Mr Knight, the Financial Manager, is higher although less time is spent negotiating rates. Because there is only the one job classification, there is a single demand from one trade union. The Federated Ironworkers' Association is the representative union for all operators at the smelter.

There are only two jobs in the entire plant which could have introduced competing unions. Maintenance fitters would have been represented by the Amalgamated Metal Workers' Union. Although the union is on site and represents the maintenance workers, any dispute is directed against the contractor instead of Alcan since the latter is not the employer. Crane driving is normally covered by a separate award which applies to workers represented by the Federated Engine Drivers' and Firemen's Association (F.E.D. and F.A.). Without cranes, heavy industry stops. Without cranes at the smelter, the pots cool because the anodes cannot be replaced. According to Mr Thomas:

It was essential that the FED & FA be kept out of the plant. If we created a separate job classification for crane drivers, we would have invited disaster. Considering the industrial record of the union, it was obvious that strike action would have been taken without regard to the damage which could arise.

Following a series of negotiations, the Federated Ironworkers' Association (FIA) emerged as the sole union representing Alcan's employees at the smelter. Written into the agreement with the union is the requirement that every operator become a crane driver. Every man in the plant is paid a margin for this skill. Since it is part of the rotation programme, no one man can claim to be a crane driver. The person driving the crane is an operator within a work group which has rostered him to drive the crane for that shift. Therefore, the operator could not demand representation from the FED & FA on the grounds that the FIA was inadequately covering specific skills. No operator has a specific skill that is not possessed by all others.

Power at the Smelter

The egalitarianism of rotation creates greater job satisfaction and eliminates militant unionism. With the training programme, there is an enviable safety record and a means of structuring the worker's interests and then influencing them. As it is portrayed in the training sessions, safety is one of the dominant issues concerning both management and the employee. For the worker it means he can perform the job and know that he will return home at the end of each shift. For management, it means that production continues, that good relations are maintained, and that other areas of welfare can be examined. Safety is the one area which is never described as having been "manipulated", regardless of the extent to which management indoctrinates the worker. Instead, it is interpreted by the union and the worker as a genuine concern on the part of management for the welfare of the employee. For example, Mr Comerford, former secretary of the local communist-dominated Coal and Shale Employees' Federation, applauded the training programme at the smelter, saying that "if the mineowners had been that concerned for the safety of the miners, there probably wouldn't have been the tragic accidents that we have had on these fields". According to Mr Thomas:

We concentrate on safety because it is so compatible. Once we have established it as a common objective, it can be used as a vehicle for teaching skills. Also, we feel that it can be used to mould attitudes. One of the most important attitudes we would hope to control is the resistance to change.

Having a complete record of all the functions of an operator means that work in the plant can be constantly reviewed in consultation sessions with the employees. For example, if a "problem area" arises either because of a bottleneck in production or because of accidents, the relevant operators can be consulted in a review of the video-tapes. A decision is made on the basis of safety and the problem eliminated. To this extent, the worker in the smelter plays a participative role in the determination of aspects of the work environment. Through a

disputes procedure, the individual worker can activate the process for participation, but the procedure is not a direct action. If an operator feels that an aspect of the work environment is unsatisfactory, he first reports it to his shift foreman who either deals with the complaint or else passes it on through the hierarchy. Usually it stops at the level of Plant Supervisor because most of the disputes are concerned with work not being performed by the previous shift. Where there is a question of safety, a joint session can be called.

This procedure was used in the automation of the casting plant. Before it was automated, the operators had to remove the ingots from the moulds and stack them manually. This was identified as a "problem area" because of the back injuries which were occurring. The work procedures were reviewed in a joint session. Arising from the consultations, a decision was made to install machinery which would eliminate the manual operations.

It can be seen that work relationships at the smelter conform to the Human Resources pattern described in Chapter Four. In particular, managerial decision-making is legitimated by a system of consultation which removes the appearance of authoritarianism. In its place develops an aura of respectability. This is heightened if the procedure of consultation is seen by the worker to have been instituted for the realisation of his interests. Power is exercised to the extent that management is able to determine those interests and then arrange for their realisation. In this case, the determined interest is participation in decisions regarding the work environment. Participation is limited to the issue of safety and in the manner of the disputes procedure.

The unknown factor is the extent to which the training programme can restrict the emergence of counterfactual interests. The programme presumes that any changes on which management requires participation can

be projected in association with the safety issue. With the automation of the casting plant, the manual process had become a source of back injuries, real or imagined. It was not difficult, in this case, to relate the observable work process and the proposed alteration to the safety issue and arrange for a realisation of the interest of participation. The association was so strong, in this case, that there was no question as to whether automation conflicted with any other interest of the worker. For example, the issue of manning levels was never associated with the interest of participation. If it had, the realisation of the interest of participation would have been in a manner which was beyond the extent of managerial control. At that time, however, manning levels had become a non-issue, since retrenchments had already occurred in the plant and re-employment was starting.

Financial reward is another issue which could compete with the safety issue. According to Mr Thomas, however, wages should also be a non-issue so long as the rates are held comparable to the aluminium industry as a whole and to the Newcastle steel industry in particular. The contraction of job classifications meant that workers at the smelter received more than steel workers, slightly more than aluminium industry workers, although less than miners. It was essential, he suggested that this ordering be maintained lest the smelter operators suffered a decline in status within the workforce. It can be seen, however, that everything depends on the union's agreement not to use the wages issue as a means of competing with the determined interest. This could be done if the union promoted the wages issue to the extent that it was interpreted by the workers as representing, not simply an extension of the interest of participation, but a separate interest which was not being realised. The only safeguard, as Mr Thomas admitted, was the lack of "political motivation" on the part of the FIA:

The picture would certainly be more complicated if we were dealing with politically oriented unions, but thankfully, the FIA is right-wing. If we were forced to deal with militant unions I feel confident that we could come to some working arrangement so long as we had a clear understanding of the union's objectives. We would then figure out if this fitted the objectives of the workers and the plant and then take it from there.

However, Mr Naylor, the personnel manager, revealed another less formal safeguard against the emergence of competing interests. This depends on the selection criteria which he adopts in classifying applicants for positions at the smelter. Over lunch at the Kurri-Weston Workers' Club, that former bastion of union culture, Mr Naylor was asked whether there were any particular attributes which would lead him to reject an applicant:

We used to draw the line if the person lived too far away because with the shift work he might decide not to show up, especially in winter. We don't worry so much about that any more now that the highway has been improved. We even have them coming from as far away as Williamstown [the other side of Newcastle]. No, I don't think that there is anything in particular although I suppose we tend to keep away from forty five year old fellows straight out of the mines.

Q. Why, because of tuberculosis?

No. Just died-in-the-wool trade unionists. They're like my father. Once they've been in the mines for that long, you can't convince them that it just isn't necessary.

Therefore, management at the smelter attempts to safeguard the determined interest by action on three levels. On the first level, that of selection, there are informal controls which preclude workers with obviously divergent interests. These controls do not compare in any way with the selection techniques developed in the human management programmes described earlier. However, they may be as effective. The selector has personal knowledge of the exact values and sentiments which are potentially disruptive. The Topeka procedures represent the height of formal rationalisation since the intention is to apply the same criteria irrespective of the bias of the selector or the cultural context of the workforce.

On the second level, there is the training programme which introduces the process of determination and provides reinforcement. This reinforcement is extended to the job situation by introducing the trainee to a normatively arranged small group. The small groups also figure in the third level which is the restriction of any influence from potentially disruptive trade unions. By including multi-skilling and egalitarianism rather than specialisation as part of the small-group value system, any threat to consensus from the union movement is modified.

Observations at the plant did not support the conclusion that there was any significant divergence of interests between management and ownership in Alcan. For the level of management interviewed, the interest of rational economic behaviour was well evidenced by the concern expressed over disruptions in production. It was often emphasised that the plant operated as a continuous process and that disruptions meant not only lower productivity, but the chance of serious damage. For example, Mr Naylor assured me that "during those recent disputes by the (electric) power workers, we turned off the air conditioners and any unnecessary lights. Then we held our breath". When the workers at the plant walked off the job, therefore, the firm's interest was threatened. I will now discuss this exercise of power by the workers and the alternatives which were available to management.

Power at Alcan

For the twenty years of its operation until 1974, Alcan had never been served with a log of claims by the trade unions or approached the arbitration court. The apparent success of industrial relations depended on the negotiations which had developed over the years between the secretary of the Federated Ironworkers' Association, Mr Hurrell, and

the industrial relations manager, Mr Cole. These negotiations were conducted annually and invariably resulted in increases for all employees.

However they might be described, these negotiations were not a "system" of joint-consultation, nor were they evidence of workers' participation. They depended entirely on the presence of two men and the acceptance, by the company, of their decision. Furthermore, the range of decision-making encompassed by them was largely restricted to framing wage increases for company endorsement. Apart from the acknowledgement of economic interests, there was little reference to the rest of the workforce or any attempt to include them physically in the negotiation. Although they were friendly, informal, and certainly contributed to the stability of the plant, there was a cost. As Mr Naylor described the early days of the smelter's operations, the workmen were paid well in excess of the usual rate for semi-skilled labour:

When the smelter first started, the men were like kings in this area. Of course the miners were earning more, but mining had been pretty insecure. They certainly earned a lot more than the steel workers.

Q. What would the differential have been, 50 per cent?

Good heavens no. Look, you didn't have to pay very much in those days to give an edge and, as well as that, everyone got the benefits of shift work and overtime because it was on a rotating basis. There were no permanent shifts with men on one shift earning more than another shift like in the steelworks or even the mines.

There were also hidden costs. As Mr Thomas suggested, "we were described as the soft underbelly of the aluminium industry at that time". By 1974, there was also the possibility that the newly established Prices Justification Tribunal might reject applications for price increases if companies indiscriminately increased wages. The Tribunal's guidelines were not clear at that stage although one alternative for a company which could foresee price rises was to refuse all wage increases

unless directed by the Arbitration Commission. What this meant was that the commission would be inundated with litigation as companies approached it for clarification of Price Justification Tribunal guidelines.

Predictably, Alcan was one of the companies which refused a wage increase. An increase of \$30 had been negotiated by Mr Cole and Mr Hurrel, but was rejected by Mr Clarkson. This was the only apparent impact that Mr Clarkson had on work relationships from the time of his appointment in 1971. The overall organisation at the smelter had remained unchanged although tension was developing. "We expected some changes and they certainly came", said Mr Thomas. "It was far more professional with Clarkson." When work bans were imposed by the FIA, the case was taken to arbitration and on 3 December 1974, the men were ordered to return to work while negotiations for an increase took place. According to a report of the decision:

The assistant National Secretary of the FIA, Mr Hurrel said pay rates for his members employed by Alcan had been negotiated for twenty trouble-free years. The company attitudes about the PJT were completely unreal ... Mr Justice Coldham said difficulties had arisen from fears that, if new pay rates were agreed on, any application to the tribunal for increased prices might be prejudiced ... [he said] he could scarcely believe this was so.

(S.M.H., 3 September 1974)

The work bans were lifted, a \$17.20 increase negotiated, and the smelter returned to normal although there were repercussions. Mr Cole resigned, as Mr Hurrel suggests, "in protest against the change in the company's industrial relations policy". The implication was that Mr Clarkson had used the excuse of the Price Justification Tribunal for removing all negotiations from the informal discussions held by Mr Cole and Mr Hurrel. "It was a complete change to the thing that we had been used to", said Mr Hurrel, "but it was to be expected. Have a look at his background and you will see what I mean".

Towards the end of 1974, as industry in Australia entered the recession, the market for aluminium products dropped. In a meeting held by Mr Clarkson, it was decided that production at the smelter would be cut in an attempt to reduce the company's stockpile. It was also decided that the manning level would be decreased, on the basis of the production cuts, by 30 men. When these proposals were announced Mr Hurrel immediately objected, insisting that any cuts in production should not result in retrenchments. The company, he suggested, was using the excuse of economic recession to alter the existing work contract:

They [the company] had realised for some time that it would have been possible to cut down on the number of men they employed if the work load of each operator was increased. Well that sort of thing just isn't on. Even if there are improvements to technology, I believe that there is a commitment to the original work contract which says that a certain amount of work has been decided as the responsibility of each man and he will be paid a set amount for that work. You can't go back on things like that.

In support of the claim for no retrenchments, Mr Hurrel directed work bans to be imposed on the smelter and sought to have the case heard before arbitration. According to Mr Thomas, this decision was an emotional reaction by Mr Hurrel against his changed status in company negotiations and against the departure of Mr Cole. "It was like he was saying to Clarkson, 'if you want arbitration, I'll give it to you'. He was trying to show that, without Cole, there could be no industrial harmony". Mr Hurrel disputed this interpretation:

We had it on the authority of our legal advisers that there would be a case for arbitration with any dispute arising from the matter of manning levels in the plant. There had been a precedent in the Marine Cooks case and there seemed to be every reason to expect that it could logically go to arbitration. It had nothing to do with events in the past.

Responding to the work bans, management at the smelter issued a warning that, if the plant was endangered by the limitations, dismissals would follow. In March 1975, Mr Hurrel was advised that the Carbon Plant was not producing sufficient anodes to permit the safe operation

of the Potline. The men in the Carbon Plant were asked to lift the bans, the request was repeated, and then they were stood down. Following this, a stopwork meeting was held by the rest of the men in which they decided on strike action. The strike lasted for three weeks and, during this time, an arbitrator was appointed to settle the dispute. Although the arbitrator was a commissioner, the appointment was in a private capacity. Even so, a condition of the appointment was that the arbitrator's decision would be final and binding. The implication was that, if there was further dispute, more formal measures would be adopted.

Further action was not necessary. The men returned to work after the union accepted the decision to retrench the full number. A list was drawn up and the men given notice. There was no further dispute. The company arranged jobs for those who were put off, but as Mr Naylor suggested, this was not difficult. The Alcan men were in demand and unemployment was not excessive. "It meant that some of them had to travel to Newcastle for employment in the steel works", he said, "but many of those who were retrenched came from that direction anyway. Retrenchment was on a last in, first out basis, except that, if there was a local familyman on the list, we tried to keep him on". When manning levels were restored from the beginning of 1976, those who had been retrenched were given first option to return to the plant without loss of benefits.

Considering the alternative forms of power which were available to management at the smelter, it is apparent that the method based on arbitration was significant, but one which had clear limits. It seems that the arbitration commission is not willing to accept responsibility for settling disputes on the margins of managerial prerogative as in the case of manning levels. Even if there had been further dispute, such as a rejection of the arbitrator's decision, the company would have wasted

time going to the commission for a certificate to proceed with punitive action. Perhaps, the only real value of arbitration as a form of power was the sure knowledge, based on his reputation, that Mr Clarkson was willing to follow through to deregistration.

The value of the training programme, in terms of its contribution to managerial power, is difficult to assess. Operators showed little concern for the issue of safety or the determined interest of participation when they decided to strike. They participated in a way which was not intended in the training programme by holding a stop-work meeting. They also participated on issues which were beyond managerial control since manning levels was not incorporated in the programme. Therefore, the fact that a strike did occur creates doubts over the company's dependence on innovation in work relationships as a way of realising rational economic behaviour. Although it is not as expensive as the programmes at Topeka, for example, training smelter operators still represents an overhead cost which could be avoided if work relationships reverted to the line-type of management.

However, training the smelter operators is only one of two possible functions that the training programme can fulfil. The other is the training of a reserve industrial workforce which could operate the smelter in times of industrial disputes. In fact, the presence of a reserve workforce represented the dominating method of managerial power during the 1975 strike. The reserve did not consist of the local unemployed or of migrant labour, but of middle management. For the entire three weeks of the strike, the plant was maintained at full production by the middle management of Alcan. According to Mr Thomas:

There had been some short stoppages before the large strike which had alerted us to the dangers involved in any major conflict at the plant. It also provided us with the motivation to train some of the staff in the operation of the smelter. This was not difficult because most of them were aware of the procedures involved. By the time of the work restrictions,

we were quite confident that we could pull the men out and take over the plant and still keep up production. We then devised a strategy by which a strike would be precipitated in the event of work restrictions. The men would be asked to perform the work required for normal operation if it was thought that the plant was in any way endangered. If they refused, the request would be repeated and the men warned of suspension. If the men or the union refused to operate at normal levels, the men would be stood down, but not dismissed. The staff would be moved in and the smelter operated at normal levels. We followed this procedure, the staff moved in and operated the smelter at full production, but at a manning rate 40 per cent below the normal. There was never any danger to the plant, although we needed extra staff from Sydney. The men know that if restrictions are imposed again, we will pull them out and put the staff in. We have shown to them that strikes are pointless. I don't know how long we could continue to operate the smelter using the staff, but I think that the union would break before we do. The men realise that as well.

The exercise of power on this basis is a very effective way of influencing the interests of the worker. What might have been considered as a major weapon against management, the strike, is turned into a fruitless exercise. Damage to the smelter can no longer be used to determine the firm's interests and to realise workers' competing interests. The workers are forced to accept the priority of interests determined by management. "We knew", said Mr Hurrell, "that the jobs were open for the men even though they were on strike. They were pretty quick to tell us that they were doing the men a favour by operating the smelter in their absence". Furthermore, it is a form of power which is highly suited to the context of Australian work relationships since it can be used in conjunction with the arbitration system. There is no legal obligation on the part of the employer to close a plant during strike action. Therefore, the arbitration system can define the broad limits of workers' interests while the finer ordering of priorities through training can be reinforced by the presence of a reserve industrial workforce in middle management.

Exercising power in this way assumes two major preconditions. If middle management is to be used for any length of time, the production

process must incorporate a high level of technology. That is, labour intensive industries which involve continuous, manual operations cannot expect middle management to perform the same functions as the normal workforce. Where the work is unduly arduous or the conditions objectionable, the middle-management value-system could be endangered. The important gap between white-collar and blue-collar would be all too apparent, the result being that the reserve is required to cross a cultural barrier as well as a work barrier. For middle management, values are different, attitudes are different, and very little attention is devoted to the structuring of interests. As Mr Knight, the financial manager at the smelter suggested:

The office staff often feel that there is absolutely no advantage in their jobs when they look at the operators. The operators earn much more when all of the penalties and overtime are included. I keep telling them that their real advantage is job security, but after the strike, it was obvious that the operators weren't too insecure. I didn't mind doing the work at the time of the strike. It was interesting to get a look at the other side of things. However, I think that some of them felt that the operators were not only paid more, but they did less work as well. After all, we did keep up full production with a manning rate which was 40 per cent below the normal. We had to work all of the shifts which I suppose, let them see the effect of shift work on family life although I think it's the money that counts.

The other precondition is that the reserve is actually available in the capacity of a workforce. Even if the training programme is not considered as a means of exercising power, participation over the issue of safety is vital for the continuing operation of the plant. Unless middle management undergoes a training programme similar to that of the normal operators, safety can no longer be seen as an issue of mutual concern for both management and the worker. By definition, the workforce is untrained. The definition in this case arises from the value system which management has structured on the pretext of humanitarianism and administrative accessibility.

For the reserve to be used as a method of power, therefore, all functions in the plant must appear to operate normally, the only difference being that the workers are located in a different level of the hierarchy. If this arrangement is possible under strike conditions, there may be reason to consider the complete abandonment of a traditional workforce. It is conceivable that plants might be designed in which middle management performed all of the functions now being performed by operators. However, this defeats the purpose of middle management in the scheme of managerial power because in relation to the technological process, middle management would then become the workers, adopt similar values, and relate to an equivalent ideology.

The alternative is to retain the division between white and blue collar workers, but to subject middle management to a training programme equally as rigorous as the one given to normal operators. In this programme, the aim would also be to determine interests. Perhaps the interest could be control of the plant. The manner of realisation could be determined as taking over production of the plant while the extent of realisation could be limited to control during crisis situations. Particular attention would need to be given to the normative arrangement of middle management so that the class line could be crossed without any deleterious consequences when the crisis passed. A parallel could be drawn with civil defense functions, for example, where the state of emergency demands particular responses which are not elicited during normal operations. If they were, the functions of normal defence operations would be endangered by competition. Similarly the functions of normal smelter operations could be endangered if middle management extended the situation of control beyond that of the strike.

Conclusion

Management at Alcan's Kurri Kurri smelter can exercise power by three methods. These are arbitration, through training, and by creating a reserve workforce in middle management. Used in conjunction, management can determine interests, the manner and extent of realisation, as well as the fate of counterfactual interests. However, the first two methods, arbitration and the training programme, may not be completely effective if exercised independently. With arbitration, even if penal clauses are reintroduced, unions may be willing to undergo censure for the sake of extending the legal agenda for work relationships. Employers would then be forced to rely on their reputations for maintaining a "hard line" and their readiness to apply for deregistration.

The problem is that these reputations were formed during the period of Australian industrial relations when penal clauses were a reality. During the absorption crisis, deregistration was a logical development for employers if the lesser threat of penal clauses failed to produce results. It was rarely utilised, but was seen as a course of action which the more authoritarian employer could pursue. Without the penal clauses, the reputation of authoritarianism cannot materialise and so an ideological vacuum exists in the employers' value-system.

With the training programme, an unknown factor is the benefit which might be derived, in terms of power, from greater expenditure. Plants such as the Kurri Kurri smelter are highly innovative within the Australian context in that concern has been shown for more than the barest essentials of job training. Most Australian employers have relied on other institutions to provide the socialisation experience for job applicants. For example, tradesmen receive little formal training beyond the technical education system. Conversely, the trade union movement is upgrading its facilities with the establishment of training colleges.

The training of middle management is also left to the education system although, in some industries, staff training is a service provided by private colleges and by employers' associations. For example, the Metal Trades Industry Association trains company staff at the Sydney office as industrial relations officers. They learn to handle any query regarding the Metal Trades Award, conditions of employment, and employers' obligations. No doubt, there is also a high degree of informal socialisation aimed at countering the trend of white-collar unionisation.

However, training middle management as a reserve workforce is more complex than anything envisaged by the employers' associations. A major difficulty with this form of power, therefore, is to decide which agency is most suited to performing the task of socialisation. If it is left to the company, a conflict of interests might arise where middle management is trained by those who are not very far removed from that level of authority. The company might undertake training in the physical aspects of handling plant, but leave the creation of value-systems to external bodies, such as employers' associations.

There are other limitations to the reserve workforce method of power. The main one is that a high level of technology is presumed. This automatically eliminates a substantial proportion of Australian industry which still utilises labour-intensive processes in plants designed before the Second World War. The level of technology required is so high that it cancels out specialisations arising from craft and trade. There is a temporary problem of redundant labour, but this can be resolved for the long-term realisation of interests. A current example of this development is the newspaper industry where computerised presses eliminate such trades as type-setting and printing. Another is the brewing industry where automated breweries no longer require the traditional range of skills.

CHAPTER SEVEN

CONCLUSION

The aim in this thesis has been to develop a theoretical framework which can be used for the analysis of power in work relationships. This aspect of work in industrial society has been generally overlooked in the sociological literature even though there has been extensive debate regarding the definition of community power. Instead of repeating this debate in the context of work relationships, I have decided to avoid the restrictions of the elite-pluralist conception of power and adopt the approach suggested by Lukes (1972). According to Lukes (1972: 34): "A exercises power over B when A affects B in a manner contrary to B's interests".

Compared with the prevailing interpretations of power, Lukes' definition amounts to a radical departure. It is to be expected, therefore, that difficulties might arise. I have suggested that the major one is the structural determinism involved in the notion of an interest. However, Lukes (1972: 35) dismisses any concern for the theoretical implications by stating that "any view of power rests on some normatively specific conception of interests" (Lukes, 1972: 35). What he is suggesting is that, so long as the normative conception is derived from some valid theoretical framework, determinism is a tolerable feature of an operational device.

This simply transfers the problem to the observer since it is then a matter of deciding whether a particular conception of interests is valid. In the analysis of work relationships, the observer can resolve the dilemma by referring to either of two themes which recur in the literature. I have referred to these as the Durkheimian and the Marxist alienation theses. Both involve determinist assumptions regarding the

ideal structure of industrial society and the organisation of work relationships. It is an easy task to convert these ideal relationships into notions of real interests. This means that Lukes's definition of power can be applied in the context of work relationships without modification, at least on a determinist level of analysis.

In the Durkheimian thesis, every member of the division of labour should have a functional role within an integrated hierarchy of roles. Integration presumes a morally regulated society in which there is a balance between despotic individualism and the mass organisation of the state. Corporations, and especially the occupational grouping, could provide this balance by protecting the individual against the emergence of the despot and against the inhumanity of the state. The occupational grouping could achieve this by initiating a pluralist spread of power across segments of the society through a representative system of participatory democracy. It follows that the real interest of the worker, as a member of the division of labour, is a participatory role in a pluralist society.

The ideal form of social organisation in the Marxist thesis is the classless society. Marx assumed that the interests of the individual are identical to the interest of the class. This means that the workers' interest can be interpreted as the exercise of economic control of the mode of production. This will be realised when the bourgeoisie is eliminated and the mode of production is socialised. Because of the antimony between individual and collective, it is impossible to envisage the structural aspects of the classless society which will permit this interest to be realised. For Marx, the collective was no more than the sum-total of the individual parts. However, this line of inquiry would not have been entertained by Marx since it is the product of a consciousness conditioned to an acceptance of class conflict. Therefore, the

state, as an expression of that consciousness, is expressly rejected by both Marx and Engels as having any function in classlessness.

I used these two interpretations of interests to examine the various proposals regarding industrial democracy. The general feeling in the literature, which Walker (1970: 12) points to, is "a view of the worker as a political agent with interests which it is considered should be represented in the distribution of power". In terms of political organisation, two possible forms of industrial democracy can be advanced depending on whether the Durkheimian or the Marxist interpretation of interests is adopted. I described the former as workers' participation and the latter as workers' control. Cases of participation and control were considered in terms of Pateman's (1970) notion of a true industrial democracy. This meant that industrial situations would be rejected if they did not permit "full high level participation" by workers in organisational decision-making.

From the viewpoint of power proposed by Lukes (1972), I suggested that both the co-determination of West Germany and the Yugoslav system of enterprise organisation would be rejected as examples of industrial democracy. In West Germany, private ownership of capital means that a level of decision-making exists in the industrial organisation which is denied to the worker. At that level, elites influence the workers' interests by exercising power based on allocative control. Managerial elites can also influence the workers' interests in the Yugoslav situation by entrenching their position in the enterprise and the national economy.

My general conclusion is that an industrial democracy, of the type proposed by Pateman (1970), is a remote possibility given the empirical reality of contemporary industrial organisation. Even where the mode of production is socialised and conditions are conducive to its development, as in Yugoslavia, full, high-level participation is not evident. Therefore,

the only merit in proposing such a form of organisation is to provide some balance to the interpretation of contemporary industrial society. From a Weberian viewpoint, this methodology has dubious validity since the ideal type is not derived from empirical reality.

Of less merit is Crombie's (1977) notion of an adaptive society. Using adaptation in this way is to extend the level of analysis beyond the definitional framework developed for the term. Originally, adaptation was referred to by Crombie (1972) as a particular variety of organisational responses to prevailing conditions in the surrounding environment. The implication is that adaptation is a positive response which allows the organisation to survive any of four types of environment. Even for this level of analysis, the theoretical framework is defective. Apart from the atavistic assumption of turbulence in contemporary society and the analogy of soldiers marching over bridges, there is no valid explanation for the transformation of environments from Type III to Type IV

Using the same term without modifying the theoretical framework to explain events at the societal level of analysis only magnifies the error. Turbulence is an appealing description of contemporary social organisation and one which benefits from the present developments in social ecology. However, the notion of an adaptive society does little to resolve the philosophical dilemma involved in the ecological approach. The major stumbling block has been the necessity for teleological assumptions underlying the ecology as a sort of life-force. The teleology is kept to tolerable levels if, as Steward (1955: 31) suggests, "social ecology is considered as an operational tool rather than an end in itself".

In the scheme proposed by Crombie (1977), social ecology does amount to an end in itself and results in an environmental determinist interpretation of industrial organisation and work relationships. From this determinist viewpoint, wide ranging statements are made regarding the position of different organisations in relation to the Utopia of an

adaptive society. The statements contain all the worst features of determinism, the main one being that empirical observations are not provided to support the notion of corporate responsibility. This notion deserves much closer attention, but would require substantial investigation of the cultural context of the organisation and evidence of corporate activity. Instead, the interpretation of reality which Crombie (1977) provides is no more than a structural extension of the definitional framework of adaptation. Since the framework is defective, so too is the interpretation of reality.

If Lukes's (1972) contention regarding interests is thought to border on invalidity, his definition of power can be modified. The modification I have proposed assumes that man in industrial society has a range of interests. Associated with each interest is a form of behaviour which is the most appropriate for its realisation. Power can then be defined as:

The ability of one party in an interaction to determine which interests of the other party will be realised in the interaction as well as the manner and extent of realisation and the fate of counterfactual interests.

The modification allows more complex arrangements of power to be observed. Lukes's definition suffers from restriction to situations where one party, B, is permanently subjugated to another party, A. The definition is adequate so long as the power arrangement remains static. If it alters, for example, if A loses power, the framework is overburdened because there has been no attempt to chart the historical development of the relationship between A and B. Therefore, it is impossible to predict the emergence of an elite or the downfall of those holding power. Unless the interests of all parties to the interaction are understood, the analysis amounts to no more than an explanation of how power is maintained.

The definition of power which I have proposed does involve some methodological problems. Taken to a logical conclusion, the identification of parties can proceed to the point where each individual in the organisation is treated as an autonomous entity. As a counter to this reductionism, two major groupings were proposed after the style of Ossowski's (1963) description of a two-fold interpretation of social reality. These groupings were labelled as the "workers" and the "firm". Included in the former are those described as workers in an organisation and trade unions while the latter contains management and ownership. If necessary, the analysis could be extended to examine the two groups independently so as to further the scope of inquiry.

By adopting this strategy, I might be charged with having rejected determinism for one set of circumstances and then accepting it conveniently for another. The criteria used to categorise parties into one or the other grouping might be thought of as the comparability of assumed real interests. However, I would contend that it is possible to evaluate the relative position of all parties in an interaction by considering their relationship to the prevailing value system. In the case of co-determination, for example, a particular configuration of the board would mean that, for the sake of analysis, everyone employed in the organisation would be treated as "workers". Ownership would then be the only party belonging to the "firm".

An arrangement of this kind necessarily involved a change in prevailing values and so a basic exercise in the study of power is the delineation of the value-system and the changes which are occurring within it. This presents further methodological problems since the observer would be entering a dynamic situation with the aim of charting a departure from something which may no longer exist. A reference point such as that adopted by Selznick (1966) would be useful. His study of the TVA was premised by an assumed social fact which was later tested by observation. This fact was expressed in the statement that, for the

administrative elite, "What is unscrutinised is uncontrolled and what is uncontrolled is often very costly" (Selznick, 1966: xii).

I suggest the industrial organisation can be approached on the premise that any innovation to work relationships will be tolerated by the firm to the extent that the innovation enhances managerial power. Managerial power can be enhanced in two ways. An innovation can lead to the realisation of the firm's interests or it can reinforce control over the process by which the workers' interests are determined. This premise is substantiated by various proposals in the literature regarding the organisation of work relationships. These proposals range from scientific management to a composite of approaches which I have described as human management.

An assumption in all of these approaches to work relationships is that the firm's interest is the maintenance of rational economic behaviour. This interest can be realised in the short- and the long-term time span by way of gains in net profits. In scientific management, Taylor was seeking a short-term solution by associating workers' interests with economic considerations alone. Therefore, the innovations which he proposed were intended to increase managerial power over the interest of financial reward. In retrospect, the approach was naive because expensive controls were developed in areas which may have had little to do with motivating workers.

Human management is more complex. In its more recent application, by the Tavistock Group, a form of power is developed which depends on modern techniques of selection and training. It also depends on the economic capacity of large-scale industrial enterprise to invest in the substantive rationalisation of work relationships within the organisation. For this investment, the firm is returned an institutionally acceptable method of determining workers' interests. Depending on the value-system created, workers' interests can be defined in relation to a particular interpretation of industrial democracy and thought of in terms of participation. The value system is instilled in the work relationship as part of the training programme which structures the normative arrangement of small groups as the

basic unit of work organisation. In the case study of the Alcan smelter at Kurri Kurri, the normative arrangement of egalitarianism had the added benefit of eliminating radical unions.

The long-term conceptualisation of the firm's interests is necessary in the case of human management because of the initial cost of rationalisation. In Australian society, arbitration constitutes a form of power which can be exercised at very little cost to the firm even though the returns are immediate. A definitional framework is available in the Act for the evaluation of interests before they are admitted to the work relationship. This framework still exists even though the legal sanctions are not as threatening and even though the notion of managerial prerogative is undergoing some minor changes. As a legacy of the period when the penal clauses were available as sanctions, some managers are able to rely on their reputations for utilising arbitration as a form of power

These reputations are rapidly waning and may never be renewed even if penal clauses were to be re-introduced through amendments to the Act. Until the absorption issue, employers could refer to the exploits of a managerial elite, especially that of the Metal Trades Industry Association, to create a mythical quality of power for arbitration. The confrontation between the trade union movement and large-scale enterprise showed the power to be largely unsubstantiated. I doubt that the myth could be established again unless there was a recurrence of the political atmosphere which followed the Second World War. Given the right atmosphere, we might again see employers being exhorted to "get rid of our reds" (MTJ, 1 September 1948).

An alternative is for the firm to develop a multiple exercise of power by using arbitration in conjunction with some of the other available forms. For example, arbitration could be retained for the broad definition of managerial prerogative and selection, training, and small-group dynamics developed as the dominant exercise. In industries where the production process is becoming technologically intensive, the complement can be added to by using middle management as a reserve

workforce. With this ordering of power, the industrial organisation would gain a respectable aura, thus altering the authoritarian image which is a concomitant of arbitration. In its background position, arbitration could also regain its mythical quality so long as the threat of deregistration was never utilised.

Given a multiple exercise of power, the realisation of the firm's interests and the determination of the workers' interests would seem to be a foregone conclusion. However, the success of exercising power would depend on the extent to which the trade union movement undertakes programmes of counter-determination in order to justify its existence. It would also depend on the monetary cost to the firm in relation to expected returns. This cost of selection and training procedures could mitigate against the small employer or the undercapitalised enterprise. Perhaps the future of employers' associations such as the Metal Trades Industry Association lies in the direction of providing these services to industry on a contract basis.

This thesis has been a preparatory study for an in-depth analysis of power in Australian work relationships. I intend to undertake further research using the definitional framework developed here, but with the methodology of comparative analysis. One difficulty I foresee is the delineation of units of comparison. A comparison of two industries would provide a significant comment on Australian society, although the study would probably go beyond the scope of analysis. The balance could be the analysis of two companies, especially if the companies were significant in terms of industrial relations. The problem would then be to gain access, but from my experience in the present study, this can be resolved by a direct approach and definite proposals.

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APPENDIX

TABLE 1

Civilian Labour Force: employment status, birthplace, and period of arrival in Australia, August 1976

	<u>Percentage of Labour Force Unemployed</u>	<u>Number ('000)</u>	<u>Percentage of Population*</u>
Born in Australia	4.3	4,423.1	60.2
Born outside Australia:			
Arrived before 1955	2.9	405.6	52.8
1955 to 1961	4.1	357.7	71.6
1962 to 1967	5.5	321.6	71.1
1968 to 1974	5.9	443.4	74.3
1975 to August 1976	7.8	60.3	64.6
Total born outside Australia	4.7	1,588.6	65.9

*The labour force in each group as a percentage of the civilian non-institutionalised population aged 15 years and over in the same group.

Source: The Labour Force, Australian Bureau of Statistics, Canberra, August 1976. Reference No.6.20.

TABLE 2

Industrial Disputes*: Industrial Groups[†], N.S.W.

Industrial Group†	1972			1973		
	Disputes	Workers Involved	Mandays Lost	Disputes	Workers Involved	Mandays Lost
		thousands			thousands	
Agriculture, Forestry, etc. . . . .	...	...	...	3	0.2	1.4
Mining—						
Coal Mining	100	24.3	40.1	158	24.7	57.8
Other Mining	17	2.0	5.8	18	6.1	12.9
Total Mining	117	26.3	45.9	176	30.8	70.7
Manufacturing—						
Food, Beverages, and Tobacco	74	19.2	58.2	63	14.9	75.7
Textiles, Clothing, and Footwear	2	0.2	0.4	3	0.2	0.7
Wood, Wood Products, and Furniture . . . . .	...	...	...	4	0.2	0.7
Paper, Printing and Publishing	13	4.3	34.5	12	3.2	31.3
Chemical, Petroleum, Coal Products‡	n.a.	n.a.	n.a.	31	4.8	45.5
Metal Products, Machinery, etc.	485	263.3	324.9	451	113.1	366.2
Other Manufacturing‡	86	13.1	37.3	57	8.2	57.4
Total Manufacturing	660	300.1	455.3	621	144.8	577.5
Electricity, Gas, and Water	9	12.3	13.9	20	40.2	45.5
Construction	126	84.0	229.8	113	57.2	218.1
Wholesale and Retail Trade‡	n.a.	n.a.	n.a.	25	13.1	36.0
Transport and Storage, Communication—						
Road Transport, Storage, Communication	42	15.7	20.8	36	3.7	4.6
Railway and Air Transport	20	15.5	22.7	30	7.6	12.0
Water Transport—						
Stevedoring Services	116	23.7	18.5	164	31.2	20.8
Other Water Transport	20	1.3	1.6	19	2.5	9.2
Total Water Transport	136	25.0	20.1	183	33.7	30.0
Total Transport and Storage, Communication	198	56.1	63.6	249	45.0	46.6
Entertainment, Recreation, Personal Services	12	23.7	39.6	34	19.2	13.2
Other Industries‡¶	52	13.7	18.7	58	37.0	89.1
Total, All Industries	1,174	516.1	866.8	1,299	387.5	1,098.1

* Disputes involving a stoppage of work for a minimum of 10 mandays.

† See note †, Table 431.

‡ In 1972 "Chemical, Petroleum and Coal Products" was included in "Other Manufacturing", and

¶ "Wholesale and Retail Trade" was included in "Other Industries".

¶ Includes "Finance, Insurance, Real Estate and Business Services", "Public Administration and Defence", and "Community Services".

Source: New South Wales Official Year Book, 1973, p.550.

TABLE 3

South Maitland Coal Fields - Number of mines (underground)

<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
7	6	5	5	4

Source: Hunter Valley Research Centre.

TABLE 4

Total number of persons employed at South Maitland mines.

	<u>Underground</u>	<u>Including open cut</u>
October 1952	6,559	6,721
1966	1,442	1,459
1970	1,407	1,435
1972	1,227	1,227
1973	1,083	1,083
1974	1,034	1,034
1975	1,069	1,069

Source: Hunter Valley Research Centre.

TABLE 5

Cessnock Area Workforce Employed in Manufacturing - Industrial Area not Specified

	<u>1961</u>			<u>1966</u>			<u>1971</u>		
	<u>M</u>	<u>F</u>	<u>Total</u>	<u>M</u>	<u>F</u>	<u>Total</u>	<u>M</u>	<u>F</u>	<u>Total</u>
Employed (no.)	2,280	629	2,909	2,734	945	3,699	2,509	1,182	3,691
Workforce (%)			24.64			30.61			29.15
Change (%)						27.16			-0.22

Source: Hunter Valley Research Centre.

TABLE 6

Workforce Employed in Manufacturing within Cessnock Industrial Area

	<u>1968-69</u>	<u>1969-70</u>	<u>1971-72</u>	<u>1972-73</u>	<u>1973-74</u>
Number of est.	46	48	44	46	47
<u>Employed</u>					
Males	803	1,046	954	946	1,051
Females	806	926	871	796	973
Persons	1,609	1,972	1,825	1,742	2,024
Percentage change	+22.56		-7.45	-4.55	16.9

(Note: 1970-71 figures not available).

Source: Hunter Vallue Research Centre.

TABLE 7

Workplaces of householders for Major Centres in the Urban Complex

<u>Domicile</u>	<u>Workplace</u>	<u>Percentage</u>
Kurri Kurri-Weston	Kurri Murri-Weston	52.0
	Newcastle	23.6
	Maitland	8.9
	Power Station Areas	7.3
	Cessnock	4.1
	Other centres	4.1

Source: Saunders (1968: 42).

TABLE 8

Building Approvals in Cessnock Council Area

	<u>1976</u>	<u>1975</u>	<u>1974</u>	<u>1974</u>
Kurri Kurri	14	14	37	41
Weston	15	26	30	27
Greta	24	7	9	10
Abermain	?	11	17	8

In 1971, there were 4,000 dwellings in the Kurri Kurri area.

Source: Hunter Valley Research Centre.