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Fairblow Dynamics Limited: Participation and Common Ownership

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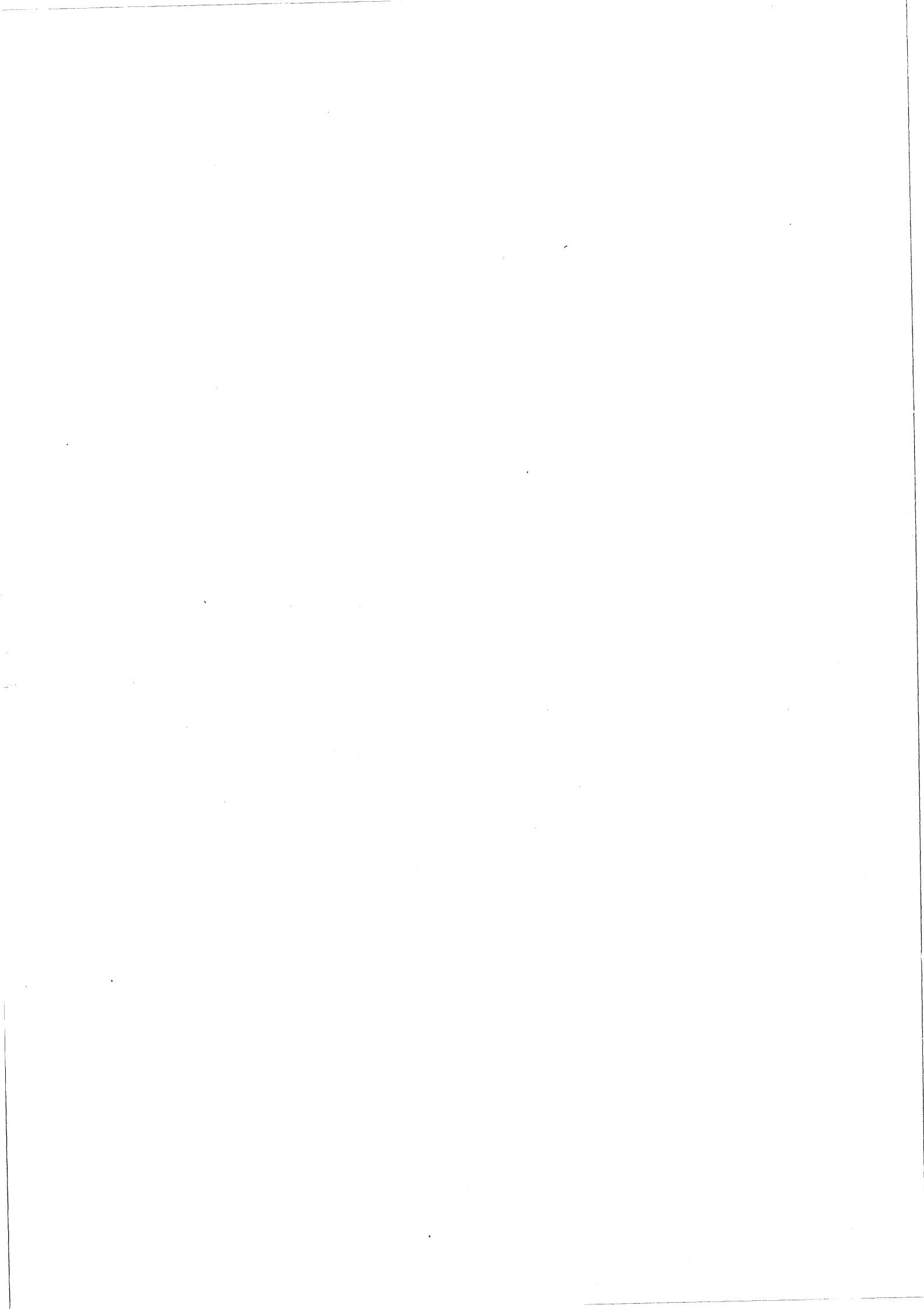# FAIRBLOW DYNAMICS LIMITED:

PARTICIPATION AND

COMMON OWNERSHIP

by

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Faculty of Technology,
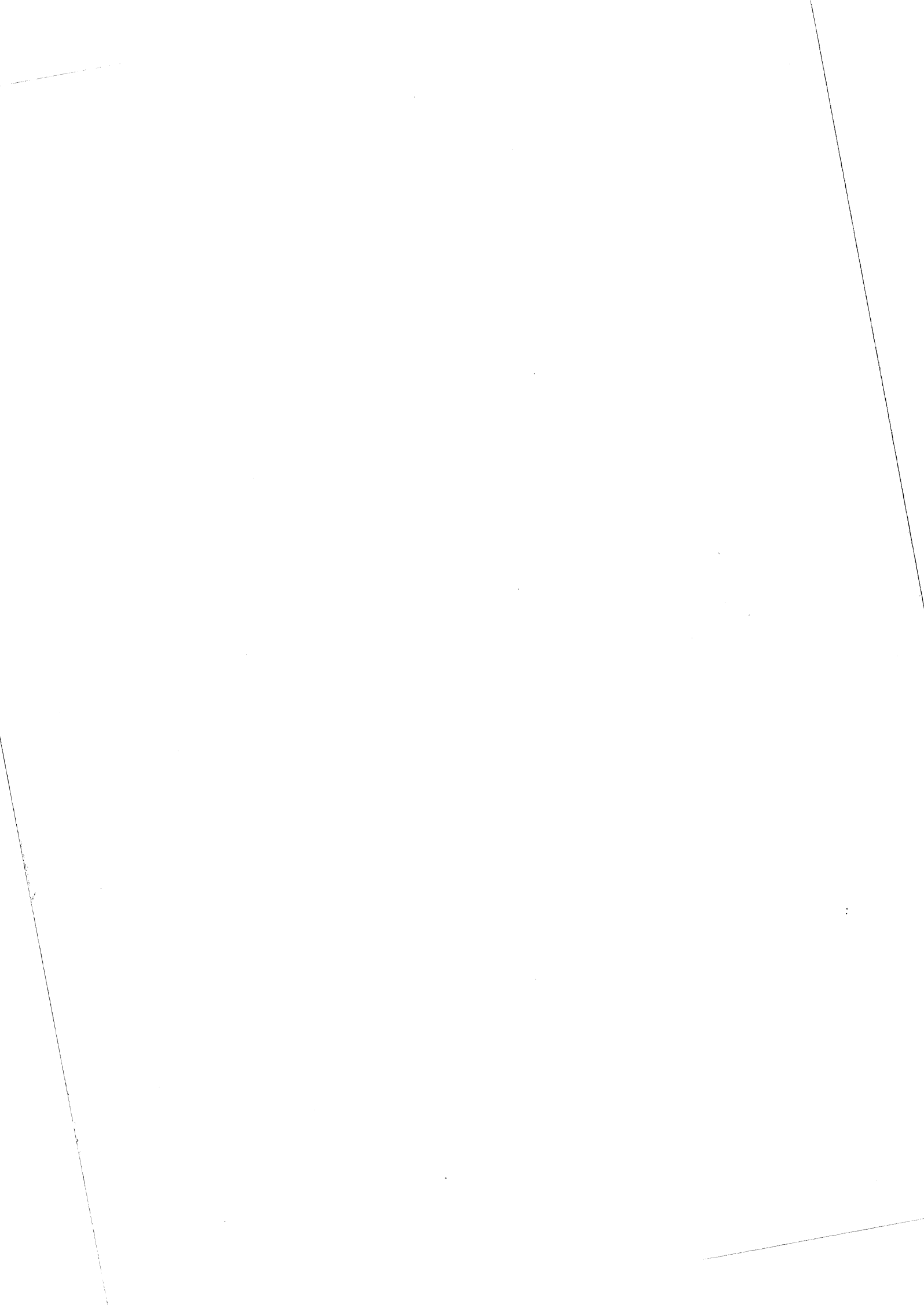Open University,
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Milton Keynes MK7 6AA

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C O N T E N T S

Acknowledgements

Contents

Part I - A Description of Fairblow Dynamics

1. Introduction : THE COMPANY AND THE AIMS OF THE RESEARCH

Fairblow Dynamics Ltd., is a light engineering firm of two
hundred employees, located in a medium-sized town in the South
East. It was founded in 1955 by an air movement engineer, and
originally produced portable test sets and other instruments
for measuring air flow. It quickly branched into the manufacture
of small centrifugal fans and grew rapidly during the sixties,
establishing small wholly owned subsidiaries in Germany and
Canada. Centrifugal fans have a wide variety of uses, and
even the collapse of the warm-air central heating market left
the company unscathed, as in 1970 it branched into domestic
products with its own toilet ventilation unit. Thus, the
direction of engineering expertise into a diverse range of
markets assured both steady growth and a measure of security
from economic fluctuations. It is located on an industrial
estate alongside many similar firms.

In 1975-1976, the company had a turnover of £2,000,000, made
quite adequate profits, and avoided any cash-flow problems.
Thus, the company's history is typical of many medium-sized
firms, and in many respects, it remains typical.

But the company is far from typical, in that it is owned and
ultimately controlled by all those who work there. The
mechanics whereby this is achieved are described later.
The important point is that, unlike most worker-owned
firms, Fairblow Dynamics is not remarkable in other
important features. It is not a tiny group of people bound
together by religious or ideological commitment;[1] it was not
formed in desperation in order to preserve jobs - origins
which more or less ensure that the venture will suffer from
poor management, under-capitalisation, and a weak market
position[2]; whilst there have been other firms whose founders
have transferred ownership to employees, the company has usually

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* This is not the company's real name.

arrived well wrapped up in a constitution, embodying the owner's
distinct ideals and ideology.   In the case of Fairblow Dynamics,
the founder, though a strong personality, was scarcely in the
same league as such forceful crusaders as Ernest Bader[3] or
John Spedan Lewis,[4]   Indeed he made rather modest claims
for "Common Ownership" and soon withdrew from day-to-day
involvement in company affairs into semi-retirment as
Chairman of the Board.

These points are important.   Despite a rapid increase in public
interest in worker ownership, and a rapid increase in the number
of worker-owned firms,[5] very little is known about their
characteristic problems and advantages.   And what little has
been published on worker-owned firms usually leaves the reader
wondering what the impact of worker ownership would be like in
less unusual circumstances.   Of course, every firm is unique
in some way and Fairblow Dynamics is no exception.

Nevertheless, Fairblow Dynamics is much closer to the
"main stream of British Industry" than other worker owned
firms in Britain.

Given these circumstances, the aim of the research was to assess
the impact of worker-ownership both generally on the information,
decision-making, and control systems of the company, and more
specifically on the satisfactions and attitudes of employees.
Hence, the research was intended to investigate the
ramifications of a legal/constitutional change, both in
organisational terms and in terms of its effects on the quality
of working life.

2. METHODOLOGICAL PROBLEMS

The research at Fairblow required an exploratory and descriptive study; the use of a hypothesis-testing framework would have been inappropriate. There are essentially two reasons for this.

First, the existing literature on worker-owned firms in Britain is scanty and provided little by way of generalisations or hypotheses. The most interesting and rigorous study is that by Flanders Pomeranz and Woodward[6]; but the John Lewis Partnership is one hundred times the size of Fairblow Dynamics. Scott Bader Ltd., is much more comparable in size, but Blum's[7] research there was heavily imbued with his own rather special concerns. Hadley[8] has described the formation and early years of Rowen (Onllywyn) Ltd., but this is a very small firm employing disabled miners.

Secondly, the introduction of Common Ownership is not a means to some specific and discrete ends. Were this so, then, given suitable measures of the target variables, a longitudinal or comparative research design might be appropriate. But, in fact, the reasons for the introduction of Common Ownership, and the hopes people have from it, are various, complex and frequently vague. In addition, the theoretical and practical difficulties in mounting longitudinal and comparative research in an area like this are so horrendous that the prospects of secure, non-trivial results emerging are poor. Moreover, it is likely that any complex system will take a considerable time to adjust to a fundamental change in its structure - such as the introduction of Common Ownership. Unless one is confident that a stable accommodation to the change has been reached, or that the study can continue for however many years are necessary for this to happen, the measurement of variables such as

satisfaction or productivity is of limited value since on their own they say little about the processes at work. Finally, the impact of the change will have been heavily determined by the particular systemic context into which the change was introduced. The results will, therefore, lack generality.

The conclusion from these points is that a hypothesis - testing or experimental research design would, in the circumstances, have been inappropriate.

This is not to belittle methodologies of this sort. Indeed, it was always an intention to test for an association between participation and satisfaction in particular; in addition, some effort went into trying (unsuccessfully) to arrange for some comparable attitudinal data, particularly regarding certain items.* But the point is that whether one should build an entire research design around this sort of logic depends very much on the subject and the aims of the. investigation. Neither a desire to display "scientific rigour" nor the difficulties in developing a different methodology, are good grounds for following the orthodox path.

But alas, these now fairly familiar problems do not themselves define a more appropriate methodology. In discussing these topics Wiess and Rein[9] have suggested:

> "a more effective-methodology would be much more descriptive and inductive".

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* These concerned employees' attitudes towards the management in their previous place of employment (see pages 66-67 below). Without comparable data from other companies the interpretation of responses to these items must remain uncertain. See also the Appendix for a further discussion of this point.

"It would be concerned with describing
the unfolding form of the experimental
intervention the reactions of
individuals and institutions subjected
to its impact, and the consequences, so
far as they can be learned by interview
and observation, for these individuals and
institutions.   It would lean towards the
use of field methodology, emphasising
interview and observation, though it
would not be restricted to this.   But
it would be much more concerned with
learning than with measuring".

This is essentially the perspective that was adopted, but it
constitutes a very loose framework for research that
necessarily requires a research team to make spot judgments
about the relevance of particular data.   Inevitably one
gathers much of doubtful value in order "to be on the safe side".
Nevertheless, as the research proceeds and a comprehension of
the processes begins to emerge, it is also inevitable that
one becomes aware of areas that have been insufficiently
explored.   Both these problems can be overcome pragmatically,
to a limited extent at least: the former, by ensuring
(against the temptation always to gather more facts) that
the research team spends adequate time discussing the
theoretical basis for the enquiries they are pursuing at any
point;   the latter, by use of a tape recorder to capture
evanescent data for later re-examination.

In the article quoted above, Weiss and Rein go on to argue
that in such an approach the concept of "system" will be
central.[10]   And, indeed, systems concepts did shape the
perspective of the research (see particularly Part III).
It can be argued - though this scarcely makes it unique in
social investigation - that the philosophical difficulties
associated with the systems approach mean it is ill-suited
to social research.   Without entering a debate that will
in any case run and run, it is clear that to some extent the
issues turn on the aims of the investigation.   In this case
the research was action-oriented in the sense that the
research team hoped to work with members of the organisation
in exploring the problems associated with Common Ownership.*
It made sense, therefore, to analyse the situation in terms
and at a level of abstraction that might allow some practical
lessons to be learned.   Although one can draw practical
conclusions from many sociological analyses, the discipline's
conceptual apparatus has not been elaborated for this
purpose and immediately poses something of a translation
problem.   By presenting a comprehensive description of
Fairblow it is hoped that the account will still be of
interest to - and open to reinterpretation by - those with
a more theoretical interest.

Given the aims of the research, and the perspective adopted,
a picture was built up by gathering information in the
following ways

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* In the event, a popular report was prepared and made
  available to all members of the company, but this did
  not lead to an action research relationship being
  established.   In this respect, the research programme
  has been more successful in other Common Ownership
  firms.[11]

Firstly, a large number of unstructured and often very informal, interviews and discussions were held with members at all levels of the company.

Secondly, by attending (and recording) meetings and subsequently interviewing individuals as necessary particular issues and decisions were "tracked" to gain a better understanding of how, in fact, the various procedures and decision-making processes operated.

Third, from company records and observations, a number of activity measures were developed.

Fourth, towards the end of the research, a structured questionnaire was used on a random sample of half the employees below the level of senior management. Details are given either in the test where the results are described, or in the statistical appendix.

The first two methods produced a qualitative picture of the company. The third and fourth methods produced quantitative data that were often combined in analysis. They are used principally to fill out and test aspects of the qualitative picture in the belief that wherever possible — and especially in an exploratory investigation — any analysis and conclusions should be based on data gathered by a number of different methods.

A question remains regarding the conclusions generated by the methodology. If a basically inductive approach is used, and it is further argued that the developments resulting from the change are heavily conditioned by the systemic context in which the change is introduced, what is the epistemological status and scope of claims about the causal processes arising from the introduction of Common Ownership? Two comments can be made.

Firstly, although the developments arising from Common
Ownership at Fairblow are, in many respects, unique, they
may still represent a particular "behaviour mode" of
broadly similar systems experiencing similar structural
changes.   The conclusions may thus have some limited
generality in describing one of a limited number of ways
such systems may react to the introduction of Common
Ownership.

Pending further research, readers will have to make up their
own minds about the soundness of the analysis, about other
likely "behaviour modes" and about the circumstances under
which they might occur.

Secondly, the results of any single investigation no matter
how rigorous and sophisticated the research design - must be
provisional.   Even if the research had been far more strictly
focussed the results would still have been tentative.
Testing an hypothesis once does not establish a theory -
as the contradictory findings of much social research
indicate.   Hence, it is wrong to suppose that the tentative
nature of the conclusions to this study could have been
avoided by some other methodological approach.   It is only
through repeated investigations by a number of different
researchers that one can have any real confidence in
particular theories: "one replication is worth a thousand
chi-square".   The question, therefore, is what legacy
does one leave future researchers in the area?   Arguably,
the more open-ended strategy that was adopted provides a
far broader foundation for subsequent work.

3   ORGANISATIONAL BACKGROUND

Employees at Fairblow have a four and a half day working week.
Christian names are used throughout the company.   There is no
"clocking-in" and working conditions are excellent.   There
are no tea-breaks as such, but there are coffee machines
located throughout the offices and works, which may be used
at any time.   There is considerable job flexibility with
people moving to different jobs as required.   The company
provides a subsidised canteen, a non-contributory pension
scheme, and will give sick pay (at the employees' usual rate)
for an indefinite length of time.   There are no piece rates
or production bonuses (other than the distribution of company
profits as a bonus), and since practically none of the work
is machine-paced, employees have a comparatively high
degree of control over the pace of their work - production
rates, for costing purposes, are deliberately set to allow
a steady and relaxed pace of work.   There is a strong
emphasis on a participatory style of management.   Fairblow is
not a Unionised company, though a few individuals are Trade
Union members.

However, this demonstrates little about Common Ownership, since
all these conditions existed prior to the introduction of
Common Ownership, which occurred in mid-1973.

Both Common Ownership and the excellent working conditions and
fringe benefits sprang from the founder's desire to avoid what
he saw as the debilitating "them and us" conflicts between
management and employees he had witnessed elsewhere in
Industry.   As the firm grew, every effort was made to maintain
the trust and informality of the early days of the company.
Thus, a company notice, posted in the first half of the Sixties,
described the profit bonus and other fringe benefits, and
ended:

"Employees whose value to the company and
their colleagues is in doubt are asked to
find another job.

"No limit is set either on the duration of
this extended notice, nor on the company's
right to terminate it by a formal notice.

"(All) these rules are as vague as possible,
since the more precise they are the more
likely it is for the "clever dicks" and
least deserving to pick holes in them and
find ways of defeating the object of the
exercise, which is a square deal all round."

Quite obviously, the notice would have been more precise if
"the Company" had been replaced by "the management"; and
likewise who constituted "clever dicks" and the "least
deserving", what was "picking holes" rather than a fair
interpretation, and what constituted a "square deal", were
all decided, however benignly, by management. Nor would the
charge of "paternalism" have necessarily been denied. The
founder's plans to "give the company away" met some
resistance amongst senior managers; in December 1970, one
of the directors wrote in a draft memo:

"On the whole, most employees accept the
paternalistic situation and, given
improving conditions and a share of the
profits, will be happy to leave the
ownership problem to others.   "

Among the decisions and policies introduced during the
formative years of the company, perhaps none was as
important in developing its distinctive character as the

system for determining wages and salaries. The company operates a policy under which employees will receive remuneration "as good, or better" than they would receive for equivalent work elsewhere in the locality. The "as good" is calculated by a survey of local wage rates; but this is a fairly complex matter, since pay is affected by bonuses, overtime and fringe benefits, quite apart from problems in deciding what is comparable work. This survey is conducted by the personnel manager. The "or better" comes in bi-annual 'bonuses' (assuming the company makes adequate profits) and in "merit awards". Every employee is assessed at least once a year, and those judged, by management, to be making particularly fine contributions to company performance receive merit awards. Since the total amount available in this way is only $2\frac{1}{2}\%$ of payroll, a merit award may amount to only a couple of pence on an hourly rate. However, these awards are cumulative, and someone consistently receiving favourable assessments would build up a 10% or 12% differential over the years.

Hence, employees at Fairblow do not all earn a standard rate for the job, nor do they know how much workmates or colleagues are earning. Given these procedures there is little scope for challenging pay awards, let along for collective bargaining. Only the size and distribution of the bonus remains a contentious issue - a subject discussed in more detail later.

The payment system has another important consequence: though Fairblow pays quite well and is a very pleasant place to work, with good fringe benefits, it is not a high wage firm.

As a result, Fairblow does not, generally, attract the younger
workers, perhaps starting a family, who are after high
wages, and willing to sweat for it. Instead, there is a
disproportionate number of the older or middle-aged amongst
shop floor employees;* with reduced family commitments,
they are prepared to accept less money in return for
congenial working conditions and the greater security of the
pension and sickness fringe benefits. It seems likely
that this age factor makes for a somewhat more compliant
workforce. [13]

Finally, it is worth pointing out that some of those currently
working for Fairblow have been with the company ten or more
years. When they joined the company, they were joining a
small firm in which "everyone knew everyone". It is quite
clear that this was a distinct source of satisfaction.
These employees remembers the "pioneering days" of the
company, and talked about the "Fairblow Spirit" and how the
founder ("a perfect gentleman") used regularly to come round
the factory, stopping to chat with everyone and asking how
they were. As one employee put it:

> "It made you feel important you
> weren't really, of course - but at
> least you weren't a number, like
> other places."

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* Details of this and aspects such as sex, length of
  service, union membership, etc., are given in the
  statistical profile of the Fairblow workforce
  included in Appendix II

It is not surprising that somewhat deferential workers
enjoying the benefits of a generous paternalism, did not
develop an autonomous organisation to press their interest.

Of course, many small-to-medium firms have similar
characteristics in their early days - though usually to
a lesser extent - and they go a long way towards accounting
for the absence of organised conflict and the comparatively
harmonious internal relations.[14]   Although Common
Ownership at Fairblow does not explain these facts, it must
be understood against the background they provide.

4   CONSTITUTION AND STRUCTURE

It must be stressed that the present structure of Fairblow
Dynamics has arisen from modifications and additions to a
conventional company. The changes were designed to leave
the "chain of command" intact on commercial matters, on the
grounds that this was necessary to ensure the continued
viability of the company.

The company is owned by a holding company - The Fairblow
Community Ltd; this is a registered charity and holds 75%
of the shares of Fairblow Dynamics Ltd. All employees of
Fairblow Dynamics are automatically members of the Fairblow
Community. The remaining 25% of the shares are held by
the Fairblow Pension Fund, two of whose trustees (normally
directors of Fairblow Dynamics) serve on the Council of the
Fairblow Community.

Thus, the Council of the Fairblow Community represents the
shareholders of Fairblow Dynamics. The Council is composed
of twelve members; two are the trustees of the pension fund
already referred to. The remaining ten members of the
Council are elected from five autonomous bodies within the
company (see Figure 1). The formal structure of the
company and Community can be represented as in Figure 1.

The rationale for this structure is as follows:

Since a company is prohibited in law from owning its own
shares, the Fairblow Community is a device whereby the
members of the company collectively own their company.
This basically simple idea avoids individual shareholdings
(which employees would otherwise take with them when they
leave, thus becoming outside shareholders) and also avoids
the possibility of employees "cashing in" by selling the

The Council of the Fairblow Community Ltd.

(12 members).

Elect 2 members of

Each committee elects 2 members of

Elects 2 members of

Elect 2 members of

Fairblow Pension Fund Trustees

Members of

The Board of Directors, Fairblow Dynamics Ltd

May join

Part of

Joint Consultative Group

Senior Managers

Con-stitute

Management Group

(18 members)

form majority of

May join

Consultative Group

(8 members).

Elect

Employees

May join

Welfare Committee Charity Committee Sports and Social Club (whose members elect a committee)

FIGURE 1 : CONSTITUTION OF FAIRBLOW,
Showing representative bodies and procedures.

15

company (the proceeds of the sale would go to the Fairblow
Community which, as a registered charity, cannot operate for
the benefit of its individual members).   The complexity in
the structure arises from the particular way members are
elected to the Community Council.   The intentions underlying
this rather elaborate structure of indirect elections were
expressed in a concern for "stability" when the scheme was
introduced.   Indeed, the arrangements ensure that should a
conflict between employees and directors and managers arise,
either side will have the power to block the other.   In
addition, the constitution of the Airflow Community can only
be changed with the approval of the Board of Directors of
Fairblow Dynamics and 75% of the membership of the Fairblow
Community in General Meeting (since the office bearers are
elected by various bodies within the Community the General
Meeting has little constitutional significance, apart from
its role in accepting or rejecting amendments to the
constitution;   hence it was omitted from the structure
diagram).

A number of points follow directly from this constitution:

(1)   The company is secured against outside
         financial interference.   Death duties, if
         nothing else, would eventually have broken
         up the original shareholding and introduced
         external shareholders;   dividends would then
         have been required, and the company would
         always be vulnerable to take-over and
         re-organisation with the attendant threat
         to jobs and managerial status.

(2)   All profits not re-invested are available
for distribution to members as a bonus,
thus at least increasing the area of
common interest between management and
employees. Alternatively, this may be
considered as a way of maintaining a
degree of flexibility in the overall level
of wages and salaries.

(3)   If the Constitution is not strictly
democratic, it certainly extends formal
employee participation to levels at
which it is usually quite absent, and
builds in institutional pressures
towards a comparatively open and
participatory management style.

The Articles of Association also state the company objectives:

"The company shall be a continuing and
successful self-controlling entity
broadly directed towards satisfying the
needs of all employees in terms of
opportunities for exercising skill and
initiative in all fields, coupled
with job stability, progressive
improvement in remuneration, working
conditions and fringe benefits of all
kinds, while directing these skillls
and initiatives towards providing as
high a quality of service to customers
as is compatible with the main
objective."

It seems fair to say that the customers come off second best in this statement of company priorities.

As regards commercial operations, the company is divided into four divisions -

Production;

Marketing;

Design;

Finance;

each headed by a "Junior" Director - so called because they are comparatively recent appointments of younger men and in contrast to the three "Senior" Directors who formed the original, and highly effective, management team. The company operates from two factories a few hundred yards apart - the smaller of which was bought when further expansion on the original site became impossible.

5   THE REPRESENTATIVE BODIES IN PRACTICE

How does the constitution work in practice?   Essentially, a
number of representative bodies have been grafted on to a
conventional company structure, or representative functions
added to customary bodies (i.e. the Sport and Social Club
Committee).   Some of these can be quickly dealt with.   The
Charity and Welfare Committees are open to anyone who wishes to
share their work but both have single figure membership;   the
former deals with the external charitable work of the Community,
in particular running the Fairblow Development Ambulance used
for local social work (a full-time driver is employed);   the
latter is concerned, through home and hospital visits, with the
welfare of the present and retired Community members.   The
Pension Fund Trustees (directors of Fairblow Dynamics) require
no further explanation, and likewise the Sport and Social Club
Committee has the obvious function of running the Clubhouse
and the Club activities.   Most employees are members of the
Club;   and the bar, with darts, table-tennis and bar billiards
is regularly attended, attracting members from all areas of
the company, especially the younger office staff.

The remaining two bodies are far more closely involved in the
day-to-day affairs of the company and are considered in more
detail below.   They are, firstly, the Consultative Group,
formed in 1971 to act as a channel of communication between
employees and the Board.   The factory and office areas are
divided into eight "wards" each of which elects a member.
And secondly, the Management Group, comprising eighteen senior
managers, which meets monthly, or as necessary, to discuss
matters of concern to managers, and which has developed as a
quite powerful voice in the company.

Figure 1 (page 8) suggests that the Community Council is the dominant policy-making body in the company. Although the Council meets quarterly and receives reports from the directors, this is not, in fact, the case and the Council has spent much of its time searching for a role. Sub-Committees have been formed to consider various ways of becoming more effective and reports of Council activities have invited suggestions as to what else they might do. Whenever there were "live issues" within the company, the Council has, for one reason or another, allowed the Joint Consultative Group (that is the Consultative Group Meeting with the Board of Directors) to handle them. Frustrated with the inactivity, one middle manager resigned in protest, but neither he nor anyone else made any clear substantive suggestions regarding the issues the Council might have considered. In the absence of substantive issues, much effort went into designing constitutional amendments to make the Council more directly representative. But the proposals, to reduce to one the Council members sent by both the Welfare and Charity Committees, whilst increasing the members coming from the Consultative Group, failed to achieve the necessary 75% majority at the Community General Meeting, despite (to some extent also because of) the support of the Board of Directors. The Constitution did, indeed, ensure "stability". Part of the reason for this failure was undoubtedly the view that the proposals did not go far enough.

Some of the reasons for this situation are faily obvious and were well expressed by a number of non-managerial employees. Council members feel somewhat inhibited in doing anything that might constitute "taking on the directors on their own ground" - they lack the necessary information. Since there is not a great deal that does not risk this, the passive role of the Council is not surprising. Later on, the obstacles to effective participation at this level are analysed more closely.

But whether or not the Council has "failed" in fulfilling its
role is still debatable.   Some, but not all of the directors,
argued that its role was <u>intended</u> to be a passive one: they
argued that it should function like any other body of shareholders.
Thus, in approving accounts, appointing auditors, and rubber
stamping the appointment of directors (as nominated by existing
directors), the Council was doing an admirable job.   Like other
bodies of shareholders, it should take no part in the direction
and management of the company - except possibly in the event of
a crisis on the Board of Directors, when it would come into
play as a legal "long stop".

The Joint Consultative Group Meetings (that is, of the Board
and employee representatives) are held once a month in the
Board Room - though emergency meetings can be called by
either side.   A week before the joint meetings the
representatives meet independently in company time to
discuss the matters they, or their constituents, want
raised.   This meeting normally lasts about two hours, but
there is no official limit.   Thereafter, the Chairman of the
Consultative Group representatives presents the proposed agenda
to the Personnel Manager, who may deal with any matters
falling within his jurisdiction before passing the rest on
to the Board Meeting prior to the Joint Consultative Group
Meeting.

Most of the discussion involves either directors explaining
policies or decisions, or representatives recounting their
own or shop floor views on decisions or proposed courses of
action.   To this extent, the Consultative Group functions as
it was intended, as a channel of communication.   The
discussion takes place within, ostensibly, a broad
co operative and consultative framework;   it is <u>not</u> a
bargaining situation, and the expression of critical or
"oppositional" views is actively discouraged by the
directors.   For example, the following is an excerpt from

a discussion and explanation of the re-organisation of
responsibilities in the Marketing Division, which had
resulted in a minor promotion at a time when the company
was trying, for reasons of financial prudence rather than
crisis, restrict its costs.   The problem was somewhat
complex, involving a minor breach of procedure, but it
involved the general issue of expenditure priorities with
many on the shop floor resenting what appeared to be a
needless pampering of management when their requests for
additional tools and equipment were not met.

REP: When you're in a difficult position you
            don't go slinging money away somewhere
            else, do you?

DIRECTOR: But we're not slinging money away! I,
(angrily)   I object to the use of the loose terms, about
            'slinging money away'.   The money was
            put to good purpose (striking table)
            and you mustn't use the term 'slinging
            money away'.

REP: Yes, but at such a time -

At this point the director intervened again, but followed by
more conciliatory statements from the personnel manager and
more carefully formulated remarked from other reps, the
director then concluded -

DIRECTOR: I know sometimes it is difficult to accept
            what at sometimes appears to be a silly
            decision, but I hope you don't think we
            are silly here, we are responsible
            people and that ...... and whatever we
            do we're just as keen to keep the company
            successful - all our jobs are at stake -

I haven't got any stashed fortune away, out
on the side; if this company goes broke I'm
as broke as any of you are ...... the
directors aren't a select band that have
got er ...... er ...... top hat schemes
round the corner.   If you lose your job,
mate, I lose my job - it's as simple as
that.

REP: There is a saying that the apple on the
            highest point of the tree falls the
            hardest.

DIRECTOR: Well, there you are, mate, I shall come down
            with a great big crunch.

            (General laughter)

In consequence, many of the representatives present their
arguments in the third person:

        "On the shop floor the lads are saying ......"

or

        "A lot of people have been asking ......"

with the representative either leaving his own position
ambiguous or implying that he himself knows better.   They
often suggest that the board should post a notice to explain
their reasons.   The board, of course, want the representatives
themselves to convey the reasons to the shop floor - a task for
which the representatives are scarcely enthusiastic, for obvious
reasons.

How much influence do the representatives wield? On non-
commercial issues, the influence can be anything up to total:
when canteen prices were raised, the representatives asked
for a canteen committee to advise on improvements (in the
variety of meals, and so on). This was granted, and quickly
produced more noticeable results than the manager previously
concerned had been able to achieve, as he himself admitted.

This influence is strong even in the face of managerial
opposition; thus the introduction of Flexible Working Hours
was effectively blocked by the dogged resistance of the
representatives from the shop floor (it was seen as another
perk for the offices, but unworkable on the shop floor where,
indeed, it smacked too much of clocking-in). They argued
that it was open to "fiddles" that it wasted managers' time
in administration, that it was an unjustifiable expense at a
time of economies, and finally that for these reasons it
would anger and demoralise the shop floor if it were
introduced against their wishes. These arguments finally
persuaded the Board, despite competing claims from some
managers that their staff, who had used the system for a
three month trial, would be angry if they were not allowed
to continue with it.

However, on issues relating more closely to the commercial
success of the company, the representatives' influence is
significantly less. When the £6 pay limit was introduced,
it restricted the percentage based cost of living increase the
company would otherwise have paid; but for the lower paid
members of the company the percentage increase was less than
£6, and the representatives suggested they be given the full
£6 award as times were hard, and they would need it. This
was firmly rejected on the grounds that it would upset
differentials - and that was the end of the matter.

Significantly, the managing director, as chairman of the
meeting, made sure it was the end of the matter by
switching the subject. He announced that the profit
figures on final accounting were sufficiently high to
justify the distribution of a supplementary bonus and
invited the company secretary to give the details. As
one Consultative Group representative put it afterwards:

> "We were railroaded off with a bloody
> great carrot."

The decision to pay a supplementary bonus was not made in
order to buy off discontent on the issue of the £6 pay
limit. If the supplementary bonus had not been available,
it is still extremely unlikely that the lower paid workers
would have received the full £6. Nevertheless, the timing
of the announcement was no accident - at the very least the
managing director saw an opportunity to reunite the meeting,
and took it. In so doing he may also have avoided hearing
further arguments on the subject, which would have been more
difficult to resist and that might have threatened the
public consensus which lubricates the procedures. The
problem for the managing director, therefore, was more one
of ensuring the smooth management of a meeting than
protecting the plans and policies of the Board; these were
not seriously or substantially threatened by the small sum
of money involved.

However, the representatives did influence the formulation of
a policy to be implemented if ever general redundancies were
required. Indeed, the representatives' proposals were
accepted more or less in toto, and how and why this happened
illustrates a number of important points.

The policy adopted was that in the event of redundancies being
required in certain areas, those concerned would be "scored"
on a number of criteria (age, length of service, merit
assessments, personal circumstances, readiness to accept
redundancy) and the combined scores to be used to select
individuals to minimise both the distress caused and the loss
to the company.   These assessments were to be overseen by the
Consultative Group, and those declared redundant to be offered
their jobs back if and when this became possible.

The representatives did consider briefly, a "no redundancies"
policy, but rejected it on the grounds that it would be
unacceptable to many of their own constituents, though there
were expressions of regret at the lack of 'community spirit'
which this implied.   A crucial piece of background information,
in understanding this policy, is the fact that the town where
Fairblow is located generally experiences a shortage of labour;
at the end of 1975, with one and a quarter million unemployed in
the country at large, unemployment in this town was still less
than three per cent.   This has two important consequences:
firstly, management were extremely reluctant to lay men off
and it was quite clear that the redundancy policy would only
be operated if the company was in a fairly serious situation.
Taking on work that only contributed to overheads was preferable,
even from a conventional managerial viewpoint, to an "in and
out" labour policy.   Secondly, the absence of serious
unemployment in the area meant that some employees could be
reasonably confident of finding other work; a "no
redundancies" policy, which put them on short time for more
than a temporary period held no great attraction for such
employees.   Likewise, general wage reductions might encourage
promising managerial personnel to start looking for other jobs,
and a "voluntary redundancies" policy might result in the
younger workers, with better prospects elsewhere, taking
their redundancy money with a cheer.

Thus, the representatives' interests given the constraints, and in so far as they were committed to the long term prosperity of their company coincided with those of the board. And their suggestion constitutes a classic example of what management hope for from participation: a "bright idea" that fits easily within the framework of management thinking, rather than challenging it. There is a small sting in the tail, however; the Consultative Group were to oversee the implementation of the policy, if ever this was necessary. Such overseeing obviously entails access to the relevant information, and would constitute a significant encroachment on the "free hand" which Fairblow management have enjoyed in the past.

But this description of the Consultative Group deliberations, in fact, misses out much of its influence which flowed from its then Chairman, Mr. G. Prior to his assuming the Chairmanship, the Consultative Group was in some disarray, and so doubted its own value that there was talk of it dissolving itself. Mr. G. However, brought to the Group a careful, cautious, but critical, eye. He was prepared to accept the broad framework of managerial assumptions while pushing, as far as he could, within them and watching for any signs of inconsistency or of failure to honour agreements. He was prepared to put in the "homework" required by a conscientious Chairman, whether combing minutes of previous meetings for useful precedents or unofficially checking out company claims through sympathetic office staff. He was an able Chairman, and always consulted other representatives or his constituents, if this was appropriate.

By taking a role of "loyal opposition", G won the respect of
management and the directors.   This was obvious in meetings
when the managing director would continually glance at G
on his right, and direct many of his own remarks to him.
Indeed, there were occasions when the directors, realising
that G was going to fight a decision and that they were on
weak ground, fell over themselves to agree with him, or they
withdrew their own proposal before the discussion started.
Moreover, between meetings G was continually consulted for
his opinion on various matters, or asked to vet notices if
they were potentially controversial.   He was also involved
in many issues raised by employees, but settled before
reaching the full Consultative Group.

His work station in the factory was well located for this,
being close to both the personnel manager's and the
Management Group Chairman's offices.   Indeed, so firmly was
G built in to the decision-making processes, that there was
concern among some regarding whose "side" he was on;   they
would daily see directors and senior managers hurrying round
to his machine for a brief consultation.

6   THE MANAGEMENT GROUP

Management Group Meetings (comprised of eighteen senior
managers) are attended by the four divisional directors,
though it has chosen to meet without them on at least one
occasion.

The Management Group has yet to find as clear a role as the
Consultative Group.   In its first year the Chairman resisted
pressure to have it develop as a representative gody within
the political framework of the company.   It met to consider
issues and problems concerning the managing of the company -
for example, a sub-committee was formed to investigate and
report on the possibilities for job enrichment.   The
following year, under a different Chairman, The Group
interpreted its function more widely, and represented managers'
interests to the Board.   For example, on one occasion (already
referred to) when final profit figures became available, the
Board decided to pay a supplementary bonus, in addition to
that already paid on the basis of provisional figures.
But the question arose whether this payment was to be
considered as a separate bonus distribution or treated as a
second part of the previous payment.   In the first case, a
sum equal to three per cent of turnover would be distributed
at a flat rate, the remainder in proportion to wages and
salaries, this being the accepted formula for bonus distributions.
But in the second case, the money would all be distributed in
proportion to wages and salaries - to the obvious, if slight,
advantage of managers.   The announcement of this additional
payment was made at a Joint Consultative Group Meeting, and
the representatives were left to decide between the methods
of payment.   Now, in fact, the representatives accepted that
the additional payment was a second instalment of the previous
bonus, and their soundings quickly established that there

would not be the 75% majority of employees necessary to over-
turn procedure and allow another three per cent flat rate
distribution.   But the Management Group, in the meantime,
called an emergency meeting, in which the directors were
aggressively criticised for ignoring procedure, capitulating
to the Consultative Group and undermining the morale of the
management whom the Consultative Group did not represent.
The tenor of the meeting was that management felt they were
getting a raw deal in the company, and one manager hinted
that he was not alone in keeping his eyes open for suitable
managerial posts in other companies.   This remark, in a
spirited meeting, was certainly something of a bluff and an
exaggeration, but nonetheless, it indicates an undeniable
source of power for the senior managers, who play a vital role
in the day-to-day running of the company.   No Board of
directors could happily pursue policies which resulted in a
high rate of turnover amongst people in these posts.

But this meeting was exceptional in uniting the managers as
an interest group so tightly - though the opportunity to
lambast the directors may have contributed to this.
Normally, the meetings displayed a confused range of
interpretations of Common Ownership rather than expressing
managers distinct interests.

And normally, Management Group Meetings are more concerned with
commercial matters.   Its monthly meetings start with
divisional directors' reports and members can (and do) ask
detailed questions about any aspects of the company's
performance or plans;   problems causing inter-divisional
conflict are also discussed, and the board often requests
the Management Group's opinion on controversial issues.

If it has yet to establish a clear role demarcating its
areas of concern, part of the reason may be its unwieldy size
which reduces its effective "throughput".   With eighteen
members, its discussions continually risk rambling.   For
example, when the directors asked the Group's opinion on
guidelines regarding the time (or times) at which people
could start celebrating and/or go home on Christmas Eve,
the Group took over half an hour to decide it could not
agree.   But a contraction in size is obviously difficult,
and an expansion in size (coupled with a greater use of
committees) would rather too accurately reflect the
division between "order givers" and "order takers" for a
company concerned to play down "them and us" divisions.
The power and status of an exclusive group can cause
problems anywhere;   but it does appear that these may be
given an extra sharpness in a Common Ownership firm.   As
it was, there used to be resentful mutterings in the
Marketing Division when the senior managers disappeared
to their "secret meetings".

7   EMPLOYEE PARTICIPATION IN COMPANY AFFAIRS

The Council and the Consultative Group constitute, either in
principle or in practice, the most significant representative
bodies within the Common Ownership structure.   Clearly,
individuals who are members of these bodies have the
opportunity to raise, discuss and influence many aspects
of company policy and practice.   They may be considered as
participating to a comparatively high degree in company
affairs.   But there are a variety of other opportunities
for employees to become involved, directly or indirectly,
in company related activities, beyond the immediate
requirements of their jobs.   Whilst it can be argued
that some of these involvements are not really
participation, it is easier to side-step the semantic and
ideological arguments by distinguishing between different
forms of participation.   In this study distinctions were
made between company participation, social participation
and job participation.   One objective in studying
participation is to investigate the meaning for individuals
of what is, in fact, a wide range of activities and to
examine the correlates and the possible preconditions and
consequences of these activities.   Hence some such
distinctions are needed - indeed, the relationships
between these forms of participation are themselves of
interest.   For the purpose of analysis therefore, indices
of company, social and job participation were created from
the items described in the following sections and according
to procedures outlined in the statistical appendix.

But it must be stressed that individuals with high scores
on the variables company and job participation are not
necessarily influential.   They are likely to be more
influential than those who score low on these variables,
but this may only amount to the difference between precious

little and nothing. Whether participation is effective, and for whom, are questions of power and interests that are (even) less susceptible to statistical analysis.

To assess the degree of "company participation" - defined as an awareness of, and involvement in, matters of company policy and practice, beyond the immediate requirements of the job - the questionnaire schedule included a number of items concerning the extent to which respondents knew about and made use of the opportunities and procedures of the constitution. These items and the responses to them are summarised in Tables 1 and 2*

Regarding the first item in Table 1, there were good reasons for being confused about who precisely was the representative for a particular area (since one representative and many staff were working in different areas to those they had been in at the time of the elections). Given this, the fact that just under half the sample reported going to a representative over an issue and that just over half discussed things with a representative, whilst only twenty per cent ignored the Consultative Group minutes posted on notice boards, the Consultative Group procedure would appear to have fairly strong informal roots among employees. In fact, only eleven per cent of the sample neither read the minutes nor had been in contact with representatives.

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* The questionnaire was administered to a random sample of half the employees below the level of senior management - further details are in the Appendix.

Table 1 : Significance of Consultative Group to Employees.

a) Coded responses to:

"Who is your Consultative Group Representative?"

	No. of cases	Percentage.
Correct	55	74 %
Incorrect	6	8 %
Don't know	13	18 %
N =	74	

b) Responses to:

"How often have you gone to a Consultative Group member with a problem or issue in the last year?"

No. of times	No. of people	Percentage.
Never	43	57 %
Once	10	13 %
Twice	12	16 %
Three or more	10	13 %
N =	75	

c) Responses to:

"How often do you discuss things with a Consultative Group representative or a Council member?"

Reply	Number	Percentage.
Rarely/Never	31	41 %
Occasionally	26	34 %
Quite often	19	25 %
N =	76	

d) Responses to:

"How often do you read the minutes of the Consultative Group or Community Council meetings?"

Reply	Number	Percentage.
Rarely/Never	15	20 %
Occasionally	6	8 %
Quite often	54	72 %
N =	75	

Table 2 : Reported Attendance at, and Intentions
regarding, General Meetings

a) Responses to:

"Did you attend the Special General Meeting
of the Fairblow Community in October?"

Reply	Number	Percentage
Yes	45	58 %
No	32	42 %
N =	77	

b) Responses to:

"Do you think you will attend any General Meetings
of the Fairblow Community in the future?"

Reply	Number	Percentage
Yes	51	67 %
Maybe	15	20 %
No	10	13 %
N =	76	

Likewise the two questions on attendance at General Meetings
of the Fairblow Community give similar results. The meeting
had been held in company time and over half the sample had
attended, indicating that this proportion maintained at least
a passive interest in company affairs. In line with this
only thirteen per cent indicated they had no intention of
attending general meetings in future.

the remaining questionnaire item was "Are you members of the
Fairblow Community?" and was intended to indicate a knowledge
of the basic constitutional structure. Since all employees
are automatically members of the Fairblow Community, it is a
"trick" question and was only included (still with considerable
misgivings) because it had been used two and a half years
earlier in a survey undertaken by the company's production
director in the course of work for his DMS. Hence there was
an opportunity to assess whether knowledge of Common Ownership
had increased in the intervening years.

The two sets of responses for this question are given in Table
3 and there appears to have been a marked increase in the
proportion of employees who understand this aspect of the
Constitution. The difference in the proportion of employees
who knew they were members of the Fairblow Community in 1973
and in 1976, is eighteen per cent (plus or minus approximately
eight per cent for ninety-five per cent confidence).

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*   This comparison probably underestimates the extent to
    which employees are now better informed; the 1973
    survey was by self-administered questionnaire and
    achieved only a seventy-five per cent response rate,
    compared with ninety-three per cent for the adminstered
    schedule. It is likely that the proportion of employees
    who knew that they were members of the Fairblow Community
    was less than sixty-seven per cent since the twenty-five
    per cent who did not reply were likely to have been less
    interested and involved in Common Ownership - and thus
    less knowledgeable about it. In addition, the 1973
    survey included senior managers   likely to be better
    informed - who were excluded from the 1976 survey.

Table 3 : Awareness of Membership of the Fairblow
Community

1973 and 1976 responses to:

"Are you a member of the Fairblow Community?"

	Cases		Percentage	
	1973	1976	1973	1976
Yes	108	67	67 %	85 %
No	23	5	14 %	6 %
Don't know	31	7	19 %	9 %
N	= 162	79		

Furthermore, it is plausible that some of the "don't knows" correctly
believed that they were members of the Fairblow Community but
became uncertain in the face of a question that implied they
might not be. In any case, it is clear that an overwhelming
majority of employees are aware the Fairblow Community exists
and that they are members of it.

In addition to the questionnaire responses, records of actual
employee involvement were also gathered. In late 1975 the
personnel department distributed a questionnaire to gather
employee opinions about the possible introduction of flexible
working hours. This was obviously an issue that would have
affected employees directly and only seven members of the sample
(eight per cent) did not return questionnaires - suggesting
that the proportion of employees lacking any interest or
confidence whatsoever in the consultative processes of the
company is quite small.

The other records of employee involvement are summarised in
Table 4, which gives current and past membership of
committees, for the sample.

Table 4 : Current and Past Committee Membership
(Rounded percentage of sample)

	Consultative Group	Council	Suggestions Committee
Current Member	4%	4%	4%
Past Member	8%	4%	-
Never Member	89%	91%	96%

N = 85

The obvious conclusion from all these responses is that there
is a gradient of interest and involvement in the representative
procedures and company affairs.

The gradient stretches from the small number of employees who
have nothing at all to do with such matters through a larger
number prepared to take part, albeit rather passively, given a
suitable issue and opportunity, and through others who are more
actively interested, to those who have been, or are, representatives.
This interpretation is the basis for and provides a certain face
validity to, the index of company participation computed from
the items and used later in the analysis.

8   EMPLOYEE PARTICIPATION IN SOCIAL ACTIVITIES

Social participation was defined as all social contact with
other members of the company beyond that which arises in the
normal course of work.

The most explicit forms of social participation centre around
the Sports and Social Club.   This is run by a committee whose
members are responsible for stocking and manning the bar, for
maintaining the clubhouse and equipment, and for the various
activities of club members.   Thus, the Club has darts and
table-tennis teams, it organises discotheques and outings to
shows, there is a cricket team, a band, and occasional
additional events such as meetings for those interested in
wine and beer making.   Finally, there is a gardening section
that obtains seed and other supplies on discount.   Clearly
this is a wide range of activity and the Club is generally
well supported (though the committee perennially complained
of a lack of interest).   More than three quarters of the
sample were members, their subscription being deducted from
their wages or salary and matched by a contribution from the
company.   Although the most active members tended to be
younger office staff, the regular Friday evening sessions
attracted employees from all levels of the company.

Given that some employees lived a distance away and would
not therefore find it easy to support the Club, this high
level of activity is a strong indication of the sort of
social atmosphere in the company.   Nevertheless, it is
not surprising that this activity also generated a degree
of tension between different groups of employees.   For
example, some members complained that activities were
poorly supported by those on the shop floor - and shop
floor members, in their turn, did not think Club activities
catered sufficiently for their interests.

These sorts of problems are well illustrated by the following
incident:

A group of women employed on the electronics wiring and
assembly sections asked for permission to play table-tennis
in the clubhouse during lunch.   This was granted and the
women used to go down and play most lunchtimes.   However,
the idea soon caught on and some members of the office
staff joined them.   Indeed, because they were better able
to slip away a few minutes early to open the clubhouse,
the "electronics" women soon found they were arriving too
late to get a game.   The resulting complaints led to the
allocation of different days to different groups.   But
since the "electronics" women did not want to play
regularly and simply wanted to be able to go down and
"mess about" when they felt like it, this, in turn. led to
complaints that the table was not being used on some of
their days, although others were eager to play.   The
committee then suggested instead that whoever turned up
should be given games in turn.   Alas, this system did not
last long since the "electronics" women were unhappy
playing serious games with table-tennis enthusiasts.
Feeling that their idea had been "taken over" and that
they were being squeezed out, they eventually resigned from
the Club in protest.   To their disgust, even this protest
failed and as their leader (and former Club committee member)
commented:

> "If a group in the offices all resigned it
> would be a different story."

Nevertheless, the range of social activities is impressive.
Available records and the questionnaire were both used to
build a picture of employees' involvement with other members
of the company beyond that required by their jobs.   This

data is not limited to formal Sports and Social Club
activities, but ranges from these to some items in which
the amount of discretionary social contact is slight.
The data is summarised in Tables 5 and 6, and gives a
reasonable indication of informal social contact and
activities.   It was used to construct an index of social
participation used in the analysis in Part II of this
monograph.

Table   5   :   Social Participation, as obtained
                 from records

NOTE: In all cases N = 85

a)   Membership of Sports and Social Club.

	Cases	Percentage
Yes	65	76%
No	20	24%

b)   Current or past membership of Club Committee

	Cases	Percentage
Current	5	6%
Former	7	8%
Never	73	86%

c)   Dinner Dance Attendance.   *

	1974	1975
Yes	47 (55%)	54 (64%)
No	38 (45%)	31 (36%)

d)   Articles in "Muchado" ∅

No. of articles	Number	Percentage
0	78	92%
1	5	6%
2	0	-
3	0	-
4	1	1%
5	1	1%

e)   Member of Welfare or Charity Committees

Status	Number	Percentage
Member	2	2 %
Non-member	83	98 %

Table 5 (cont'd)

f) Others

Activity	Customer of company canteen	Member of Investment Club **	Buyer of eggs from company member oo	Helped redecorate Social Club
Yes	21 (26%)	6 (7%)	27 (32%)	8 (9%)
No	61 (74%)	79 (93%)	58 (68%)	77 (91%)

Notes.

* The company financed this annual event.

ø The company magazine published quarterly (or occasionally) and distributed free.

** An informal club of employees with a small Stock Market holding. This included office and shopfloor employees.

oo One employee, a laboratory technician, through internal advertising etc., sold eggs to others. Customers ranged from boardroom to shopfloor.

Table 6 : Responses to Questionnaire Items on
Social Participation

a) Club Activities in which respondents took part

Reply	Darts	Table Tennis	Outings	Discos	Cricket	Band	Others	Nothing in Particular.
Yes	19	11	16	12	5	0	15	25
No, don't know, etc	66	74	69	73	80	85	70	60

b) Responses to

"Have you ever helped organise a collection for
another member of the company (on their marriage,
say, or retirement)?"

Reply	Cases	Percentage
Yes	37	47%
No	42	53%

N = 79

c) Responses to

"Do you think you will attend the next annual
dinner dance?"

Reply	Cases	Percentage
Yes	59	75%
Maybe	6	8%
No	14	18%

N = 79

9   EMPLOYEE PARTICIPATION AT TASK LEVEL

The purpose of this section is to describe the organisation
of work at Fairblow Dynamics with particular regard to those
factors influencing the extent to which employees are involved
in decisions about their work.   This requires, first of all,
a general account of the formal structure and the technologies
employed, even though these are not unusual.   It should also
be pointed out that short of participant observation over a
considerable time, it is extremely difficult to build up a
clear picture of work organisation in a factory.   The
variety of activities, the necessary fluidity of organisation,
and the inevitable "underlife" of informal arrangements, .
mean that one must rely fairly heavily on anecdote.   These
anecdotes illustrate what the subjects feel are the important
aspects of those topics the researcher is interested in.
But both the time this requires and the difficulty of
checking out the claims made, mean that such accounts of
work organisation must always be somewhat impressionistic.

The work is organised for batch production - small batches of
instrument and large or medium sized batches of fans and
domestic appliances.   Production is divided into sections,
each with a chargehand who is responsible to a supervisor -
one in each factory.   The work moves through as follows:

from	"Sheet Metal"
to	"Press Shop"
to either	"Impeller Assembly"
or	"Case Assembly"(for spot welding) and the Paint Shop
to	"Assembly" (either fan, instrument or electronics)
To	"Packing and Dispatch"
or	"Stores"

with additional parts coming (via the Stores)

from	"The Machine Shop"
or	"The Pitot Shop" (for instruments)
or	"Electronics"
or	"Goods Inwards" (bought-in parts)

These sections all vary in size from being a couple of people
(including chargehand) to ten, although the precise number at
any point in a section will vary slightly as employees are
moved around to match the work load.

Not surprisingly, task cycles are short, particularly in the
Press Shop, although there are some automatic presses.   The
actual assembly of fans and appliances is done on short lines
of three or four people, using power tools, but moving the
products manually.   Task cycles are generally about one or
two minutes.   The exception is instrument assembly, where
there is no line as such;   some employees prepare a variety
of parts as required and others assemble (and sometimes
calibrate) complete instruments in small batches.

In addition to these sections, there are maintenance, production
control, production engineering and quality control departments,
whose managers, like the supervisors, are responsible to the
production director.   As the company grew these departments
were gradually extracted from the province of supervisors - and
not without some friction.   Indeed, the development of a
quality control system to replace inspection was still in
process during the research.

This was being phased in gradually as older inspectors retired
and as younger ones were given additional training.   But the
new approach also required employees on assembly lines to fill
in sheets recording faulty parts on sub-assemblies.   Some
employees doubted the value of this paper work and were scarcely
enthusiastic about recording the information required.
According to the Quality Control Manager, it had taken many
months of coaxing before the electronics section accepted it.

The introduction of this change illustrates an important point
of management style.   Although managers and supervisors varied,
there was a general reluctance to deliver strict instructions,

at least until cheerful requests and gentle pressure had been
given a good long try.   As on this occasion "long" might well
mean months.

For example, management do not set production rates for the
various sections;   employees are expected to work at a reasonable
pace and record how long it takes them.   These times are then
used for costing purposes.   Nevertheless, managers are concerned,
from time to time, lest things are being taken a bit too easily
in some areas.   One manager explained how the problem had been
handled in the Electronic Assembly Section.   It had been put
about that a rather faster rate was wanted and when modifications
were introduced to the principal product some minor production
changes were also introduced that allowed supervisors and
managers to claim that higher rates were now possible and
expected.   This had succeeded in increasing output quite
considerably over a period of time, but the manager still
thought they were taking it easy.   He pointed out that when
they had reached their unofficial quota the girls would stop,
light cigarettes and wait until finishing time.   Moreover, he
claimed that the introduction of a piece rate bonus would
instantly push production up a further thirty per cent - "but
that wouldn't be Fairblow".

Given Fairblow's rule that employees set a reasonable pace of
work for themselves, the manager's behaviour was understandable;
but equally understandable is the women's reaction: they saw
the manager concerned as devious.   As one of them put it
"They always get their way however much consultation there is".

One or two managers had a very different style.   A senior
production engineer when he took on the reorganisation of the
stores, presented a long list of changes to those directly
involved and asked why they should not all be implemented.
This provoked what he termed "an instant flare-up" and what
the storemen called a shouting match.   They argued that many

of the changes were impractical, others were not worth the
effort and only a few were worthwhile.   The storesmen
marvelled at his obstinacy, whilst the manager assumed that
after this initial reaction and after had had insisted that
they suggest better ways of reorganising things, a workable
package of changes would be worked out.   But he claimed that
in his experience they were not likely to suggest many
improvements.   This issue had not been completely resolved
when the research ended, but it was clear both that a number
of major changes had been introduced and that a number of
others had been forgotten (at least for the duration) and one
had been modified by appeal to the personnel manager and the
Safety Committee.

The storemen's complaint in all this was that the manager
concerned did not know the details of their work that made
many of his suggestions inappropriate.

But whilst this approach is more robust and explicit, it is still
essentially one of pressured compliance.   Employees can resist
and suggest alternatives, but they must make significant
concessions because, in the end, they will receive straight-
forward instructions if they do not.   Just what concessions
are required, and when the end may come, are a matter of guess-
work for the employees involved.   As a result, many offer
little overt resistance and few suggestions, when changes are
introduced.   Given the inequality of power in its various
dimensions, underlying the relationship, they see little point
in doing otherwise, and thus the view, held by some of the
managers in the production division, that one could expect
little constructive participation from employees, is true in
its context.

Generally, they regretted that employees were not more forthcoming
and did not take better advantage of the opportunities for
participation at this level.   These managers talked about the
problem of motivation, but generally concluded that some

people were motivated (and you used the merit system to make
sure you kept them) whilst others were not, which did not
mean one should not do everything possible to encourage a
positive attitude - if employees did make suggestions, they
had to be taken seriously; it simply meant that one did not
expect more than small changes slowly, at the best. Indeed,
it could be argued that despite the emphasis on "participative
management" and "good communication", this more pessimistic
view was the prevailing one in the higher levels of the
company: two years earlier a suggestions scheme (discussed
below) was introduced to offer very tangible inducements for
employees to use their information and ideas for the benefit of
the company.

However, in some areas employees did participate much more
thoroughly in the planning and organisation of their own work.
One such area was the Maintenance Section, where the nature of
the work undertaken obviously precluded detailed procedures
separating "doing" from "arranging". This section was
particularly close knit, and, interestingly, the high level of
"job participation" was matched by a high level of involvement
in company affairs: one member was a representative, and the
manager, since he reported to the production director, was a
member of the Management Group. The members of the section
followed company affairs closely and often discussed matters
among themselves.

Another area where employees were more involved in the
organisation of their work was the Instrument Assembly Section,
already referred to as distinctive through the absence of an
assembly line, and generally greater "completion" in tasks.
Here, there was tacit resistance by employees, led by the
chargehand, to the production engineers; for his part, the
production director was concerned that things were not working
as they were supposed to in this area and he was worried that the
supervisor spent too much time "messing around" fixing things
and not enough time supervising.

Wherever possible, the chargehand and his colleagues made up
their own jigs and fixtures and they were scornful of what
they saw as the cumbersome overelaborate, inappropriate and
expensive equipment produced by the production engineers.
While all but the simplest jigs were clearly the responsibility
of the production engineers, this did not stop the chargehand
and his supervisor going to Woolworths together and buying cheap
G-clamps on their afternoon off and rigging up their own
clamping system with wood and bolts.

On one visit to this area a researcher was shown five such
fixtures in as many minutes, in order to illustrate the
superiority of their own devices over those produced by
"them" on the other side (in the other factory).

The close friendship between the chargehand and supervisor (both
versatile and ingenious engineers who took great pride and
satisfaction from their work) and the physical separation of
the section from the main production areas and offices in the
larger factory probably insulated this section sufficiently for
the high level of self-organisation to survive.

Whatever the reasons, the difference between this area and one
of the others was rather dramatically revealed when an instrument
that had, anomalously, been produced on a fan assembly line was
finally switched to the instrument assembly section. Immediately
a whole nest of problems was uncovered by the employees on
instrument assembly. When the fan assemblers were asked how
they had handled these difficulties, it quickly became apparent
that for years they had been putting the instrument together in
a way that seriously distorted its calibration; this was the
only way they could get things to fit. Not surprisingly,
modifications were urgently prepared.

It could be argued that this difference between the two areas
simply reflects the superior skill and ingenuity of employees
on instrument assembly. Though this may be part of the answer,

it rather begs the question and arguably the key differences
lie firstly in the task structure that allows greater completion
and hence a better comprehension of the engineering involved;
and secondly in the organisation - whereas employees elsewhere
must channel their ideas through others, members of the
instrument assembly section are able to implement their ideas
directly (and, crucially, learn more about the problems in
doing so).   One can speculate that these situations could only
be expected to produce similar levels of initiative if something
like the following rather improbable circumstances existed:
employees experience no difficulty explaining ideas to the
production engineers;   the production engineer is always willing
to listen, to explain fully why an idea is unworkable, to
implement even minor improvements suggested by employees and
to appreciate any non-technical concerns of employees in
assessing suggestions;   and finally despite less knowledge about
how production is actually carried out, the production engineer
never miscalculates and rejects useful ideas.   Unless
conditions like these are met, employees would see fewer of
their own ideas implemented, without learning the value (or
otherwise) of rejected ideas.   This would be likely to lead to
fewer suggestions - as the best way of maintaining a
respectable proportion of successes.   Since fewer suggestions
would also mean less learning, the number of useful suggestions
would not be maintained.

However, it would be misleading if this implied too stark a
contrast between the maintenance and instrument assembly sections
and other areas.   The difference is a matter of degree:
although largely excluded from responsibility there were
certainly individuals in other areas who regularly offered
ideas and suggestions on work methods to those responsible.
Indeed, the chargehand from fan assembly had occasionally
handled problems on the line in a novel way: he had sought
advice from the laboratory manager who worked close by.   This
manoeuvre completely evaded the formal procedures of the

company and neatly illustrates its informality - in this case a source of satisfaction to chargehand and laboratory manager alike.

In summary, therefore, the scope for initiative and involvement among manual employees is fairly limited, largely on account of the production organisation adopted. Most employees do not consider they will contribute much in solving production problems - either because they feel that they lack the understanding, or because they will not be listened to. But this structured passivity is offset by a few areas where a fairly high measure of self-organisation survives, and by a scattering of individuals who, one way or another, exercise considerable initiative on occasions, in tackling work problems. On the other hand, it should be stressed that this situation is not a major source of frustration and resentment: employees maintain a high degree of control over the pace of work and the participative management style at least protects employees from sudden and arbitrary changes.

Another basic feature of work organisation at Fairblow is job flexibility. Employees are expected to move to different jobs as this is required by uneveness in the flow of work. While the organisational advantages of this practise are enormous it has traditionally been strongly resisted by Trade Unions: not only does it amount to an intensification of work by eliminating significant slack periods, but it greatly augments the power of foremen and supervisors with discretion over who is assigned to "good" and "bad" jobs. At Fairblow, job flexibility was generally welcomed. "It makes a change", was a frequent comment. But some employees had reservations, feeling "it can be carried too far". For example, one instance was recounted in which a supervisor had tried to transfer a press operator to help in stocking the stores. The employee concerned had objected, since there was, at that time, someone else not hired as a press operator working on a press.

He took the matter up with the production director who over-
ruled the supervisor.   On the other hand, the massive
flexibility practised during the "three-day week", when
office staff invaded the works en masse, and the works
staff were given work in the offices or painting and
gardening, had become part of the company folklore,
recounted with pride and nostalgia.

The suggestion scheme was a fairly recent innovation at
Fairblow and had originally been established under the
chairmanship of the managing director.   Very quickly, however,
this passed to the manager of the drawing office, a gentle
character, who presided over meetings with scrupulous
impartiality.   The other members were all chosen from different
areas of the shop floor, with the exception of a tool designer
whose experience was obviously relevant.   Though selected by
management for the committee, the members were chosen for their
general ability and understanding of production problems, and
certainly did not constitue a group that would be easily
swayed.   Thus the scheme was a minor management function
delegated within general guidelines, and to that extent
under the control of employees.

The meetings were held once a month, and the chairman read out
the suggestions without giving the name of the person who had
made the suggestion.   If the committee felt unable to assess a
suggestion, it was deferred to a later meeting pending
investigations into feasibility.   When a suggestion was
implemented, the committee decided on an award, up to a
maximum of £25.   Whilst the financial benefit to the company
was the principal criteria, the committee was quite prepared
to make comparatively large awards to ingenious suggestions
that would only be socially beneficial - for example, the
suggestion that the company place umbrellas in the lobby of
each building for use by staff going backwards and forwards on
rainy days.

There was general approval of the scheme and the way it was
run.   But some of the skilled older employees (particularly
on instrument assembly) refused to use it believing that it
was part of one's job to make suggestions, even in areas that
were not one's direct responsibility.

In a number of ways, therefore, the emergence of the suggestion
scheme and the way it was run and responded to exemplify the
changing roles in a company that is no longer "small" in terms
of production methods but retains some of the trust and
informality of a small company.

In order to supplement the impressionistic nature of the preceding
analysis, an attempt was made to develop a measure of job
participation.   In doing so, there were two problems - one
practical, the other theoretical.

Existing measures such as the Job Diagnostic Survey[15] are
massively comprehensive, and thus time consuming to an extent
that made them inappropriate.   Secondly, they are concerned
solely with what Hackman and Oldham[16] call the "Motivating
Potential" of the job itself.   By emphasising the attributes
of the job this approach excludes variations in employee
behaviour for a particular job. . In contrast, job
participation was defined as the extent to which a person is
aware of and involved in the connections of his work with
others, beyond what is minimally required in his position.   A
strong correlation between the "motivating potential" of a job
and "job participation" could be expected, but the point is
that employees vary in their reactions to a given job - some
do only what is necessary whilst others will suggest improved
methods and so on.   There is always a grey area of
discretionary action.   In creating an index of job
participation it was hoped to measure the extent to which
individuals took on themselves activities in this grey area and
considered their work as narrowly or broadly defined.

Such a measure would be equivalent to the indices of social and
company participation (thus social participation was not
measured by asking about the degree of social contact in a
person's job).

The method chosen for this measure was that of analysing responses
to a critical event - a problem on the job.   This was a question
that had been helpful in unstructured interviewing.   In the
questionnaire, therefore, respondents were asked "When there are
problems in your work, or you have questions or ideas about it,
how often do you sort things out yourself and with the people you
work with?"   "........ and how often would you take such
problems questions or ideas to your supervisor?"   In each case,
the replies were structured as "Almost never", "Now and then"
and "Quite often".   Then respondents were asked what would
happen when they took such matters to their supervisor by
presenting a number of possible outcomes ("You work something
out between you", "Nothing happens" etc) and responses were
structured "Never", "Sometimes" and "Usually".

The results are given in Table 7.

The results from these items were disappointing;   even when some
of the (inadequate) categories in part b) of the Table are
collapsed, the replies from a number of respondents still appear
somewhat inconsistent.

The questionnaire also included items on the (perceived)
autonomy and predictability of respondents work;   the results
of which are summarised in Table 8.

Table 7 : Responses to Items concerning
Work Problems

a)   Responses to

"When there are problems in your work, or you
have questions or ideas about it, how often do
you sort things out yourself or with the people
you work with?......   "

"...... and how often would you take such problems,
questions, or ideas to your supervisor?"

Responses offered

Reply	Sorted by self or people worked with		Taken to Supervisor	
Almost never	5	(6%)	43	(56%)
Now and then	17	(22%)	26	(34%)
Quite often	57	(72%)	8	(10%)
N =	79			

b)   Responses to question concerning outcome when problems
were taken to supervisor

Responses offered

Reply	A. He shows you the best way of handling it		B. He explains why it has to be that way		C. He takes the matter up with other people	
Never	6	(8%)	8	(10%)	8	(10%)
Sometimes	27	(34%)	24	(30%)	53	(67%)
Usually	46	(58%)	47	(60%)	18	(23%)
N =	79		N. = 79		N = 79	

Reply	D. You work something out between you		E. Nothing happens	
Never	4	(5%)	52	(66%)
Sometimes	21	(27%)	23	(29%)
Usually	54	(68%)	4	(5%)
N =	79		N = 79	

Table   8   :   Perceived autonomy and predictability of
                Respondent's Jobs

Reply Scale	Autonomy		Predictability	
1 (Low)	0	-	12	(15%)
2	2	(3%)	19	(24%)
3	2	(3%)	15	(19%)
4	29	(37%)	23	(29%)
5	15	(19%)	6	(8%)
6	20	(26%)	3	(4%)
7 (High)	10	(13%)	1	(1%)

NOTE: The actual form of these questions and
        the scale card used are given in the
        statistical appendix.

In addition to these questionnaire items, a record was obtained
of suggestions made to the Suggestions Committee.   An index of
"Job Participation" was constructed, using some of the responses
in Table 7, the responses on perceived autonomy and predictability,
and the suggestions scheme records.   Although this does "behave"
more or less as expected (it is associated with the type of job
held, for example), its validity must remain questionable and
its discriminatory power appears limited.   It may work;   but
it does not work well.

10   ATTITUDES TO WORK THE COMPANY AND MANAGEMENT

How do employees at Fairblow view their jobs and the company?
There was widespread agreement, particularly among manual
employees, that Fairblow was a good place to work and the
company a good employer.   These statements are borne out
by turnover and absenteeism statistics[17] and the results of
the survey*.   In the survey respondents were asked to rate
their satisfaction, on a 0 to 10 scale, with nineteen
different aspects of their jobs.   The responses demonstrated
that, within Fairblow, satisfaction was comparatively high
regarding relations with supervisors, having friendly and
helpful people to work with, the holiday arrangements, the
hours worked, and the reputation of the firm.

The fact that satisfaction with relations with supervisors
had the second highest average rating of all the job aspects
is interesting (and discussed further below).   Both this
point and the friendliness of workmates were often
mentioned in unstructured interviews.   For example:

> (Older employee comparing Fairblow with
> previous employment) "If I'm having trouble
> lifting something, people will offer to
> give me a hand.   But there, it was every
> man for himself."

> (Younger employee explaining why he liked
> Fairblow) "Orders are nicely given at
> Fairblow - there's a good atmosphere."

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*   In what follows a general summary of relevant points
    from the survey is given;   a more comprehensive display
    of results and a discussion of methodological issues
    is included in the Appendix.

Finally, to underline this point, it is worth mentioning
two employees whose spontaneous remarks in conversation
made it quite clear that for them the friendly relations
and relaxed pace of work were very important.   One able
young storeman (whose previous employment had included
jobs of greater responsibility) said he hoped to stay with
the company unless he got married.   Then he would have to
go for a much better paying job, until such time he was
happy to forgo the extra money.   And a sheet metal
worker reported that he had taken a £15 a week cut in
wages to return to Fairblow when there was a vacancy --
because it was a friendlier place.

Another point that frequently emerged in interviews, but
was concealed by the structuring of the questionnaire items,
was the appreciation for the company's policy of giving
full pay to sick employees for an indefinite period of time.
Finally, when the satisfaction scores on the various items
are compared, with a national sample*, satisfaction with
the pension scheme is higher at Fairblow (significant at
two and a half per cent level).   Again, this supports
comments in interviews which indicated that older workers
valued the company's non-contributory pension scheme.

It is important to note however, that these definite sources
of satisfaction all concern social relations and fringe
benefits.   In contrast the "average satisfaction" within
Fairblow was lowest with promotion prospects, then

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* See the appendix for details of the survey and the
  cautions which mean this and other comparisons must
  be considered only as very rough and ready
  indicators.

management ability and efficiency, participating in
management and physical surroundings. Moreover, when
compared with the national sample "average satisfactions"
at Fairblow was significantly lower (at the two and a half -
per cent level or more) on six items; job security using
one's own initiative, safety precautions, managmenet
ability, the provision of adequate equipment and materials,
and "being able to do the things you do best".

The lower level of satisfaction with job security almost
certainly reflects the difficult economic climate when the
survey was made, compared with that existing at the time of
the National Survey two years earlier. But the reasons
for the comparatively low satisfaction with the other aspects
can only be suggested more tentatively. Two factors may be
important in accounting for the low scores regarding aspects
connected with management. The first point was obvious from
interviews - a dissatisfaction with the middle level management
of the company. This dissatisfaction arose from two contrary
considerations. There were those who had been with the
company since the early days and who regretted the increasing
formality and specialisation of functions. On the other
hand, a number of employees with experience in much larger
companies considered management at Fairblow as still rather
amateurish and sloppy. This division of opinion existed
among both manual and non-manual employees. Secondly, it
is possible that the dissatisfaction arises partly from the
relative openness of the management. Not only are
Consultative Group minutes regularly posted, but the same
is true of the Safety Committee (comprised of chargehands
and relevant managers).

There were no remarks in interview to illuminate the
comparatively low satisfaction with promotion prospects,
but the fact that after many years of growth, the company
had been marking time in the economic downturn, may
possibly count for this.

Finally, the comparatively low satisfaction with the
intrinsic aspects of work - "Using one's own initiative"
and "being able to do the things one is best at" - require
comment.   Again, the unstructured interviews provided
evidence that, although employees enjoyed a friendly work
atmosphere and a high degree of control over the pace of
their work, nevertheless, the content of many work roles
was far from satisfying.   Since jobs with short task cycles
and little skill were taken for granted, there was no point
in complaining about them;   but the attitudes of some
employees were quite clearly implied when, in this context,
they would claim they were only there for the money or
remark that the work was "just a job".

This sort of work did not constitute a deprivation for all the
employees doing it.   But it did for some and their attitude to
working at Fairblow was well expressed by the employee who said
in the same conversation both that he was in the best job he
could hope for and that he was in a boring dead-end job.   Hence
the picture that emerges from interviews and questionnaires is
of a company still strongly marked by the generous paternalism
of its origins and where employees' opinions range from those
who feel fairly unreservedly that they are fortunate to work
there, to those who feel that if they have to do tedious work
then Fairblow is still a better place to do it than most.

The questionnaire also explored employee attitudes to management
and management-worker relations.   Respondents were read a list
of nine statements for which the responses were "Strongly disagree",
"Disagree", "Half and half" "Agree" and "Strongly agree".   The
results are given in Table 9.

TABLE   9   :   INDUSTRIAL   RELATIONS   ATTITUDES   AT   FAIRBLOW

	RESPONSE					
	"Strongly Disagree"	"Disagree"	"Half and Half"	"Agree"	"Strongly Agree"	Total
1. Management at Fairblow keeps employees in the dark quite unnecessarily: there should be far more information about company matters.	1 (1%)	14 (18%)	32 (41%)	22 (28%)	9 (12%)	n = 78
2. It is right that management should take all the major decisions about Fairblow	9 (12%)	10 13%)	20 (26%)	28 (36%)	11 (14%)	n = 78
3. The employees at Fairblow have no more say in the firm's affairs than employees in most businesses	9 (12%)	28 (36%)	20 (26%)	13 (17%)	7 (9%)	n = 77
4. Most managers at Fairblow will give you a fair hearing - if they cannot help you it is because there is a good reason	2 (3%)	5 (6%)	11 (14%)	43 (55%)	16 (21%)	n = 77
5. Giving employees at Fairblow more of a say would make things better	2 (3%)	20 (26%)	19 (25%)	28 (36%)	8 (10%)	n = 77
6. Managers at Fairblow have the welfare of the employees at heart	3 (4%)	12 (16%)	23 (30%)	32 (42%)	7 (9%)	n = 77

TABLE   9   (CONT'D)

	RESPONSES					
	"Strongly Disagree"	"Disagree"	"Half and Half"	"Agree"	"Strongly Agree"	Total
7. Decisions in Fairblow could be made much more democratically than they are now without really harming the company	4 (5%)	14 (18%)	24 (32%)	30 (39%)	4 (5)	n = 76
8. It seems as though in the future employees at Fairblow could have more and more control over the way the firm is run	1 (1%)	17 (22%)	27 (35%)	28 (36%)	5 (6%)	n = 78
9. Employees need trade unions to look after their own interests at Fairblow	35 (46%)	24 (31%)	11 (14%)	3 (4%)	4 (5%)	n = 77

While these replies display a wide range of attitudes to
management, the company and industrial relations, they do
show a general tendency for employees to agree more with
statements sympathetic to management, and disagree with more
anti-management ones.   There is, however, a belief that more
information could be given (40% believed this, see statement 1)
and that decisions could be made "more democratically" (44%
believed this, see statement 7).   This exists as well as a
belief that Airflow employees have as much or more to say in
the firm's affairs than most employees (statement 3 above -
74% believed this).   Trade unions, however, are not seen as
the means of achieving this state - 77% did not think they
were needed to look after employees' interests.

There is also a feeling (statement 8) that the trend is
towards more, rather than less, employee "control over the way
the firm is run", which is paralleled by the view expressed by
71% of the sample who felt that more employee control would
not be bad.

Without a comparison with employees in other companies, firm
conclusions are impossible, but the results do suggest that
expectations of employee control and participation have been
raised in Fairblow.   On the other hand, 50% agreed, or strongly
agreed, with the statement that management should take all the
major decisions about Fairblow, whereas only 25% disagreed,
strongly or otherwise.

It would seem that although there is a desire for, and
expectation of, increased employee control, there is also a
large degree of acceptance of a managerial prerogative to take
"all the major decisions".   In addition, the traditional
channel of employee challenge to management over control (and
other issues) - shop floor trade union organisation - is opposed
by a large majority.

Common ownership, it can be suggested, has raised expectations that challenge traditional managerial prerogatives; but not changed an acceptance of "managerial ideology" in a workforce that is opposed to trade unions. These conclusions are supported and filled out by remarks from the unstructured interviews. Many employees complained that "the directors still run the show" or suggested that "if it were really common ownership" things would be done differently. But at the same time they would remark that "managers must manage". Although it is possible that Common Ownership simply provided a convenient justification for the expression of dissatisfaction, it appears that for some, at least, it produces a genuine, and often acknowledged, dilemma. They do feel entitled to "more of a say", but somehow this must not restrict or substitute for management - after all, "you can't have everyone deciding eveything. "

Likewise, remarks in interviews emphasised that the rejection of trade unions was every bit as vehement as the statistics suggest. Indeed, some employees mentioned the absence of trade unions as one of the good things when asked what they liked about working at Fairblow. (In contrast, one machinist who had, in his earlier days, enjoyed a career as a militant shop steward, mentioned the absence of trade unions as the worst aspect of working at Fairblow).

In summary then, the generously paternalistic policies of the company would appear to a substantial extent, to have attracted employees with, or encouraged in employees, a somewhat "deferential" attitude towards management. But this outlook is tempered at least for some by raised expectations of information and influence. This match between paternalism and deferentialism is one aspect of the friendly social atmosphere already referred to - it is a basis for and reflects the comparatively harmonious relations between management and employees. As one employee put it

"There's not the same them and us here -
there's bound to be some, of course -
but it's not like other companies."

As well as looking at attitudes to management at Fairblow,
the questionnaire also investigates employees' attitudes
to management in their previous employment. The same nine
statements were modified to refer to the respondents'
previous employer and again they were invited to say how much
they agreed or disagreed with each one in turn. The results
show that employees held less positive attitudes towards the
management in their previous employment. By excluding
those who had no previous employment, and cross-tabulating
responses for Fairblow with responses for previous employment,
it is possible to examine where and to what extent the
respondents discriminate between the companies*. Using
Wilcoxon matched-pairs signed-rank test, the null hypothesis
that the views expressed in the two cases are from the same
distribution can be rejected for all but two of the nine
statements (at the 1% level).

Thus respondents felt that at Fairblow there was more
information about the company (statement 1) that employees
had more say (3) that it was more likely managers would give
a fair hearing (4), that managers had employees' welfare more
at heart (6) that it seemed employees were more likely to
have more control over the way the firm was run (8) that
trade unions were needed less (9) and that in their previous
employment there was more scope for increased democracy
without harming the company (7).

The difference in attitudes regarding trade unions is
particularly interesting: more than half of those who
thought trade unions unnecessary at Fairblow considered them
necessary in their previous employment. This bears out
the remarks some employees made in interviews when they
stated explicitly that they saw the Consultative Group
as an alternative to trade unions (on the other hand,

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* See Appendix for tables

the trade unionists in Fairblow tended to see trade union
activity as still necessary and indeed as the way to
make Common Ownership "work properly").   Also interesting
is the absence of significant difference in attitudes
regarding whether management should take all the major
decisions about the firm (2) and whether more employee say
would make things better (5);   in both contexts employees
generally accepted managerial prerogatives and tended to
believe that more employee say would make things better.*

As rough indicators of attitudes "for" or "against"
management two indices - one for attitudes at Fairblow,
the other for previous employment - were constructed,
using eight of the nine statements (see Appendix
for details).   But it is worth stressing that these
aggregate statistics mask a very wide range of
individual experiences and perceptions.   To say that
attitudes to management at Airflow are more positive
compared with previous employment does have some value,
but it ignores many of the complex shifts that have
occurred.

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* The ambivalence in employee attitudes may be more
  apparent than real;   if employees were tending to
  agree with the interviewer's statements, the
  responses would produce this sort of result.   On
  the basis of interview remarks already referred
  to, it is very doubtful if this is the whole
  story.

11 ATTITUDES TO COMMON OWNERSHIP

Those who work at Fairblow perceive and assess the Common
Ownership structure in a number of different ways.   Some
aspects of these perceptions have been mentioned in
describing company participation and attitudes to
management.   In this section attitudes to Common
Ownership generally are examined.   This is done first
by examining responses to items in the questionnaire,
secondly by discussing material from unstructured
interviews and observations at meetings.

The questionnaire included four items on Common Ownership,
each employing a ten-point scale for responses.
Respondents were asked:

(i)   How much they approved or disapproved of
         the idea of Common Ownership;

(ii)   How satisfied or dissatisfied they were
         with the way Common Ownership works at
         Fairblow at the moment;

(iii)   How satisfied or dissatisfied they were
         overall, with Fairblow being a Common
         Ownership firm;

(iv)   How important or unimportant Common
         Ownership was in determining how
         satisfied or dissatisfied you are with
         your job.

The responses to these items are summarised in Table 10.

Table 10 : Rounded Percentages of Responses to Common
Ownership Items for each scale point

Scale point *	i the idea	ii the way it works	iii overall	iv Importance
0	1	1	1	8
1	1	4	0	4
2	0	3	3	5
3	0	4	1	6
4	1	12	6	4
5	9	21	14	18
6	3	14	7	6
7	21	13	13	17
8	31	16	25	17
9	8	4	16	6
10	25	8	14	9
Mean	7.8	5.9	7.2	5.7
N	77	76	71	78

* For item (i) the scale is - approve (10) to
disapprove (0)

For item (ii) the scale is - satisfied (10) to
and (iii) dissatisfied (0)

For item (iv) the scale is - important (10) to
unimportant (0)

These results suggest the following conclusions *:

1.   There is a high degree of approval for the
          idea of Common Ownership;

2.   There was a fairly high degree of
          satisfaction with Fairblow being a
          Common Ownership form (as opposed to
          a private company);

3.   There was a distinctly lower level of
          satisfaction with the way Common
          Ownership was working in practice.

4.   Common Ownership itself was not seen as
          an important factor in job satisfaction
          (compared with the importance of the
          other job aspects, as recorded by the
          survey).

In addition to the above questions on attitudes to Common
Ownership, respondents were asked

          "Which three aspects of your job do you think
          are most benefited, if any, by the company
          being commonly owned?"

and a similar question relating to those job aspects seen as
damaged by Common Ownership.   The results are given in
Table 11.   The job aspects given were those used in the job
satisfaction items (see overleaf).

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* To test whether questions (i) and (iii) or (ii) and (iii)
  were measuring the same dimensions a Wilcoxon matched pairs
  signed-ranks test was used.   In either case the null
  hypothesis that the two were measuring the same thing
  could be rejected at (at least) the 1% level of
  significance.

Table 11 : Benefits and Damage to Job Aspects as a Result of Common Ownership

Job Aspect	Number mentioning effect of Common Ownership as	
	Benefit	Damage
Convenience of travel to and from work	1 (1%)	0 (-)
Promotion prospects	3 (4%)	1 (1%)
The total pay, including any overtime and bonuses	14 (19%)	6 (8%)
The physical surroundings	1 (1%)	2 (3%)
Relations with your supervisor or manager	22 (29%)	2 (3%)
The job security	35 (47%)	0 (-)
Being able to do the things you do best	5 (7%)	2 (3%)
Friendly and helpful people to work with	13 (17%)	0 (-)
Public respect for the sort of work you do	5 (7%)	2 (3%)
The time you are given to do the work	5 (7%)	1 (1%)
The holiday arrangements	10 (13%)	3 (4%)
The pension scheme in your firm	15 (20%)	0 (-)
The hours you work	10 (13%)	1 (1%)
Participating in management	14 (19%)	1 (1%)
Using your own initiative	7 (9%)	3 (4%)
The reputation of your firm	9 (12%)	0 (-)
Safety precautions, controls on health hazards	7 (9%)	0 (-)
Ability and efficiency of management	8 (11%	11 (15%)
Provision of adequate equipment and materials for your job)	3 (4%)	1 (1%)
None mentioned	8 (11%)	52 (71%)
	n = 75	n = 73

From this it can be seen that the effects of Common Ownership
are generally thought to be beneficial. Whereas 89% of valid
replies include perceived benefits, only 29% included
perceived damage.

Job security (mentioned by 47%) is the most widely perceived
benefit, followed by relations with supervisors or managers '
(29%). Then come pensions (20%) participating in management
(19%) and total pay (19%).

Some of these perceived benefits are clearly related to aspects
of the way Common Ownership works: thus job security,
participating in management and total pay can be seen as
benefitting (respectively) from the protection against
takeover, the representative bodies and the profit related
bonus - all of which can be fairly directly linked to the
Common Ownership framework. It is not so easy to guess at
perceived links between Common Ownership and relations with
supervisors and managers and the pension scheme, though the
company does appear to do well in both respects. Two
explanations suggest themselves:

(A)   The responses have little meaning and simply
        indicate an attempt to justify an approval of
        Fairblow being Common Ownership, by naming those
        job aspects for which the company was generally
        held in high regard; there is no underlying
        "model" to link the ownership structure with
        these benefits, or indeed with any of the other
        aspects that are not mentioned frequently.

(B)   The responses indicate a belief that Common
        Ownership enjoins among managers a respect for
        employees and their welfare; the "model"
        would thus be one in which Common Ownership has
        subtle but significant effects on the outlook of

managers and the climate of the organisation.
Such a belief would also validate the choice
of other job aspects that are not mentioned
frequently and which have no obvious or direct
links with the Common Ownership structure.

There is no way of choosing between these explanations - and
each may be true of some employees.   But since there are
other grounds for believing that Common Ownership does
indeed have an impact on management attitudes and
behaviour (as is argued in a later section of this paper),
it is suggested that the second explanation has some
definite application. In any case, it would be somewhat
cavalier to write off as "response effect" so many of what
were often the respondents carefully considered opinions,
simply because their reasons for holding these opinions are
not immediately transparent.

The only job aspect which more people felt was damaged
than benefitted, was the ability and efficiency of
management (15% saw damage and 11% benefit).   This
appears related to views expressed at times by managers
that the need for consultation reduced management efficiency,
as well as more general feelings that management ability
and efficiency was not as high as might be expected.

Overall, then, on the basis of these items, the sample felt
that although it was not very important, Common Ownership did
offer substantially more benefits than costs and it gained strong
approval as an idea.   But, at the same time, they were not
particularly satisfied with the way Common Ownership worked
in the company.   This picture leads again to a consideration
of expectations and their influence.   The most plausible

explanation of this view of Common Ownership is:

(i)   that expectations have been raised as a
           result of the change to Common Ownership;

(ii)   these raised expectations have not been
           satisfied;

(iii)   employees do not perceive the changes that
           have taken place in the company as far-
           reaching as they feel possible.

This interpretation is supported by considering the opinions
of employees expressed in meetings and unstructured interviews.
This material is difficult to summarise, because employees'
attitudes to Common Ownership were by no means clear cut.
Several admitted uncertainty as to what it all added up to
and would argue in one direction for a bit before saying
"on the other hand" and switching to a quite different tack.
The clearest example of this complexity of attitude was
provided by a maintenance worker.   He expressed considerable
scepticism about the various representative bodies and Common
Ownership; despite this, he reported "noticing" that he
took far more care of equipment and materials at Fairblow
compared with other companies he had worked for.   He had even
bought in some materials from home and, on a couple of
occasions, gone to "cadge" spares from companies he used to
work for, trouble he had never taken in previous jobs.   More
generally, it was common to be told that Common Ownership
made no difference, or that the person interviewed did not
really care about Common Ownership, and then to hear a number
of points that indicated the reverse.   In many cases, for
example, an expressed indifference to the Consultative Group
did not prevent an employee from following its affairs closely.
Likewise, the expression "That's your bonus, there" -
directed at any expenditure the speaker disapproved of - was
used by many employees throughout the company, including some

who claimed that Common Ownership "meant nothing".
Similarly, Common Ownership was intermittently mentioned
in meetings and discussions, usually by someone wondering
whether a particular proposal was "in the spirit of Common
Ownership" or criticising a decision as inappropriate "in a
Community firm". Such arguments were not considered
irrelevant (though they might very well be overridden by
other considerations).

In general terms, therefore, Common Ownership did appear to have
at least a minor impact on employees' attitudes and behaviour;
but employees (and managers) were concerned to play down its
significance. It was as though they wanted to deflate what
they guessed were the interviewers rosy expectations regarding
Common Ownership. But if this was the case, at least on some
occasions, it is reasonable to suppose that the employees were
attributing to the interviewer expectations regarding Common
Ownership that they regarded as normal, and which they had
once shared. Hence, although some employees were genuinely
hostile or indifferent to Common Ownership, it is suggested
that many expressions of hostility and indifference make more
sense when considered as indicating a degree of disillusion.
And this disillusion was often tempered by a recognition of
some benefits from Common Ownership and a residual hope that
it might yet be possible to make Common Ownership "mean a bit
more".

Given these general points that bear on the attitudes of most
Fairblow employees, it is still useful to distinguish three
basic views of Common Ownership within the company.
Comparatively few employees adopted one of these opinions
wholeheartedly, but they define the space within which most
employees move when assessing Common Ownership.

First, there were those who were genuinely indifferent.
One press operator, for example, said he thought management
were wasting their time by distributing questionnaires (for
consultative purposes) on the question of flexible working
hours. He had not returned his : "If management want to
bring back clocks, that's their business". If, at some
point, he no longer found Fairblow a reasonable place to
work, he would leave and that was that. Likewise, there was
a supervisor who supposed he should take "a bit more
interest in it all" but who was clearly absorbed in
engineering problems. As a supervisor he reported directly
to the production director and was thus a member of the
management group. But he did not attend regularly, spoke
very rarely (and briefly) and quite evidently he was uneasy
and uninterested in the meetings. Although concerned about
the changes in production management that had been introduced,
he did not see the Common Ownership framework as at all
relevant to these problems. Hence, Common Ownership had no
purchase on his attention.

Secondly, there were those with a basically positive view of
Common Ownership. These employees stressed the protection
against takeover and the fact that they were not "lining
anyone else's pockets". They were much less inclined to see
the Consultative Group as ineffective and believed that Common
Ownership did encourage a friendly atmosphere. And although
they might question specific decisions, these employees
considered management to be basically well intentioned.

Thirdly, there were employees with a negative view of Common
Ownership. These employees argued that it was all a "tax fiddle"*

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* There is a grain of truth in this remark, though it can just
as well be considered as an advantage of the arrangements:
the original directors surrendered their shares in return
for ten year contracts as directors (remuneration linked
to the cost of living), after which time they would be
well pensioned. This is a fairly secure arrangement,
and avoids the tax or death duties problems that
otherwise would arise sooner or later.

and that the directors were still in charge. There were dark
hints that reprisals would follow if anyone spoke out against
the directors. They claimed the Consultative Group was
ineffective - it was the "Noddy Parliament" for representatives
who sat around nodding their heads in agreement. It had not
achieved anything - the shop floor was still ignored. One
particular event was often cited to illustrate some of these
points; this was the occasion when the board distributed a
questionnaire to ascertain company feeling on the method of
bonus distribution (whether flat rate, or proportional to
earnings). After examining the replies, the board announced
that, owing to the size of the minority, they would not implement
the simple flat rate system favoured by the majority (instead
they proposed the composite system already referred to). Above
all, those with a negative attitude argued that Common
Ownership made no difference to them, they were not really
"owners"; there was nothing tangible to show for it all;
nothing had really changed. Interestingly, this reaction was
predicted by a senior director in a memo expressing reservations
about proposals for Common Ownership in late 1970:

> "It is my view that the presentation of
> "Common Ownership" so hedged about with
> restrictions and safeguards to provide no
> more tangible rewards than are available in
> the ordinary way, will lead to disbelief,
> disillusionment and frustration."

Turning to middle and senior management, some of the same
points apply. As with employees, there was a tendency to
play down the impact of Common Ownership and also considerable
confusion over how much difference it could or should make.
It was a commonplace that Fairblow was really "no different"
from any other medium sized company with a participative
management style and good internal relations - though there
was some uncertainty whether this was grounds for
satisfaction or criticism. Some directors retained a mild

anxiety as to where it might yet all lead, but a number of middle managers wanted to "get the Council moving" or "make Common Ownership mean something" - in ways that were never very specific. But certain opinions were widely shared: the protection against takeover was mentioned more often and more emphatically by managers and there was a shared view of Common Ownership as presenting an irresolvable conflict between commercial and democratic principles. The democratic principles were generally endorsed but seen, more or less regretfully, as limited in application. Against their daily experience of pressure and intermittent crises regarding the need to capture orders and get the goods out, they saw little opportunity to integrate the principles and thus democratic considerations inevitably suffered.
Nor is this simply a case of managers enjoying a free hand and simply using commercial pressures as grounds for shutting their subordinates out of decisions. At one meeting called to discuss company morale, several members argued strongly that participation was not working or had gone too far. The Board's approach was spreading dissension and confusion further down the company; instead, the board should reassert its authority by making decisions and closing ranks behind them in the normal way. *

It is worth pointing out, however, that many of the same members could be expected to complain if they were not consulted on other issues. Some directors felt that this showed how "we're bound to be wrong whatever we do". If the managers were distinguishing between different sorts of issues they might still have been consistent; but it should be clear why senior personnel felt some doubt over the scope that existed for democratic and participative procedures.

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* This meeting was largely a storm in a teacup; it is not suggested that the confusion caused by Common Ownership was generating a serious problem of morale - indeed it is the researcher's guess the problems under discussion had more to do with the increased size of the company and the need to develop new products quickly, than with Common Ownership.

And obviously, managers who simultaneously wanted the
directors to direct and the opportunity to influence
directors' decisions were in the same dilemma as employees
who wanted "more of a say" whilst accepting that "managers
must manage".

Given these common elements and uncertainties in managers'
perceptions of Common Ownership, it is again useful to outline
some differences; to this end managers can be roughly
distinguished as "hard" or "soft" regarding their views of
Common Ownership.

"Soft" managers were more likely to emphasise the "democratic"
aspects of company policy. One manager, for example, talked
about making the company more of a community where to some
extent, at least, people cared about the people with whom they
worked. Those expressing this view were not generally
critical of shop floor attitudes (indeed, one manager with
strong socialist views suggested employees should be pushing
them far harder) but they did tend to criticise some of the
more "ruthless" cost cutting decisions of younger managers.
For example, they took the view, in the case of two jobs
becoming redundant, that a company their size ought always to
be able to find work for people with the qualifications of those
concerned (whether this attitude would have extended to those
without qualifications is uncertain). This group included
some senior managers who held considerable informal
influence within the company. Indeed, one of the individuals
whose job was threatened was able to enlist their support in
his efforts to prevent redundancy. Their discrete lobbying
on his behalf was certainly one major factor in the board's
decision to create, with some difficulty, an alternative
post.

Those who held this general outlook, saw the advantages of
Common Ownership apart from increased job security, as
lying in easy and informal communication within the company,

a reduction in "them" and "us". As a result of this, the laboratory manager (referred to in the discussion of job participation) claimed his opinion of shop floor intelligence had risen during his years with the company.

Likewise, proponents of this viewpoint were quite prepared to accept shop floor opposition to the introduction of flexible working hours: it was not a commercial matter, so the majority view should prevail, even if they personally favoured flexible working hours.

In contrast, there were managers who held a "hard" view of Common Ownership; this emphasised the commercial success of the company and saw Common Ownership as removing the major source of conflict which would otherwise reduce the efficiency of the organisation as it did elsewhere. Proponents of this outlook tended to bemoan the "traditional" distrust and suspicion of the shop floor and were particularly incensed at what they considered was the refusal by employees' representatives to take any responsibility for unpopular decisions that they were involved in, no matter how necessary. They talked of the slow and difficult process of education whereby employees would come to realise that an active co-operation with management would benefit everyone, not just those at the top who, after all, had no more stake in the company than anyone else. A similar instrumental attitude was expressed towards other forms of participation and consultation: it could throw in useful ideas to modify a proposal, but it very easily became a brake on managerial initiative. For these managers, therefore, Common Ownership is interpreted within, and is seen as, providing excellent support for a unitary ideology of management.

There is some evidence that these "hard" and "soft" interpretations of Common Ownership were related to personal and situational variables. "Soft" managers tended to have

staff positions, displayed a "local"[19] orientation and had
been with the company a number of years. "Hard" managers
were more likely to be in line management, were younger and
generally displayed a more "cosmopolitan" orientation. But
this relationship is based on a very limited number of "pure"
cases and since senior management were excluded from the
survey sample, no quantitative data relevant to the issue
is available.

PART   II   :   PARTICIPATION, SATISFACTION AND ATTITUDES
AT FAIRBLOW - A STATISTICAL ANALYSIS

1   THE AIMS OF A STATISTICAL INVESTIGATION

The analysis that follows has two main aims.   One is to
explore further the sorts of responses employees make to
the Common Ownership structure at Fairblow, the meaning
they give to their involvement in the company and the
consequences such involvement may have for their
satisfactions at work and their attitudes towards
management.   Ideally, one would be concerned with the
personal and situational determinants of participation
and its attitudinal consequences;   but neither the
available data, nor, indeed, social reality itself, allow
such a clear cut causal chain to be extracted.   Without
controlled experimentation, statistical associations must
be interpreted with great caution;   and, in reality, the
factors considered are often bound in reinforcing
relationships that generate a process of change - in
which case the nature of the process is far more
important than the search for a prime mover.

But if a strict causal analysis and firm conclusions are
impossible, a statistical analysis may still discriminate
between relationships which merit further investigation
and those which can fairly safely be ignored;   and it may
very well throw up patterns among variables that
illuminate the frame of reference under which the
responses or behaviour took place.

The second aim of the analysis is to make a modest
contribution to the debate on employee participation
and its supposed effects on job satisfaction and
industrial attitudes. Any conclusions in this respect
must be tentative - for reasons already given regarding
the available data. But since the Common Ownership
structure provides unusual opportunities for
participation, it offers a potentially rather
interesting test of the generality of the "participation-
satisfaction" hypothesis.

2   STATISTICAL METHOD*

The analysis that follows is based on contingency tables,
since these provide a simple way of summarising data that
arises from nominal and ordinal (rather than interval)
measurement.   However, a long series of tables is not easy
to digest.

Because the "D-systems"[20] method represents the import of
contingency tables in a clear and simple way, it has been
used in the analysis that follows.

The technique possesses several other important advantages:

(i)   the mathematics on which it is based (differences
        in proportion) are extremely simple.

(ii)   though it assumes linearity, it can represent
        non-linear relationships (by using trichotomies).

(iii)   it indicates the possible strength of a
        relationship and not just its statistical
        significance (especially with very large samples,
        statistical significance alone may distract from
        substantive insignificance).

In addition, when used with larger samples in more complex
multivariate analysis, the method has a number of other
advantages compared with regression, path analysis etc.,

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*   Readers uninterested in statistical technique should
     skip the next few pages, and turn to the guidelines
     on how to read the diagrams given after the example
     on page 86

but these are irrelevant in this context.   See Davis[21]
for a discussion.   Arguably, therefore, it is a technique
that deserves to be better known;   and it is hoped that the
simple diagramming conventions listed below can be absorbed
easily enough to justify its use here   primarily as a
"visual aid"*.

These advantages appear to outweigh a possible objection:
the method is intended for use in causal analysis and
requires that the variables be ordered.   However, in some
of the associations considered below there is little basis
for claiming that the main causal impact is

$$A \longrightarrow B$$

rather than

$$B \longrightarrow A$$
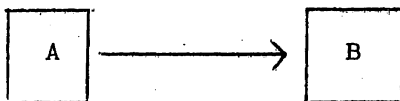
There is no way of avoiding this arbitrariness: the numbers
cannot make theoretical assumptions - they only display the
likely relationship if such assumptions about the predominant
causal impact are correct.   This point should be borne in
mind when considering the diagrams, because the reverse
order will produce a somewhat different result.   Should the
causal order presented appear implausible to the reader, he
or she may always rework the data to generate the reverse
relationship by reconstructing the original contingency table.

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* Some more elaborate non-parameter methods were also used
  as described in an earlier report,[22] but the results add
  nothing of any substance to this analysis.

Confidence intervals are given for all the relationships
reported; but since these are largely determined by sample
size, they sometimes include zero; so it must not be assumed
that all the relationships depicted below are statistically
significant at the 5% level. The justification is that the
suggested magnitude of the relationship may still mean it
warrants consideration - and readers can decide for themselves
how much confidence to place in the results. In addition, it
can be argued that in an exploratory investigation the rather
greater "costs" of Type II errors (i.e. prematurely rejecting
interesting hypotheses) mean that the conventional 5% level is
not an optimal level of statistical significance.

Using the example (below) of the effect of age on overall
job satisfaction, the following conventions should be used
in understanding the diagrams.

N = 76   K = .57 ⬇

┌─────────────────┐   ┌─────────────────┐
│ OLDER AGE   │   .22 (± .16)   │ OVERALL JOB   │
│ (Prop = .51)   │ ─────────────────▶ │ SATISFACTION   │
│   │   │ HIGH   │
│   │   │ (Prop = .68)   │
└─────────────────┘   └─────────────────┘
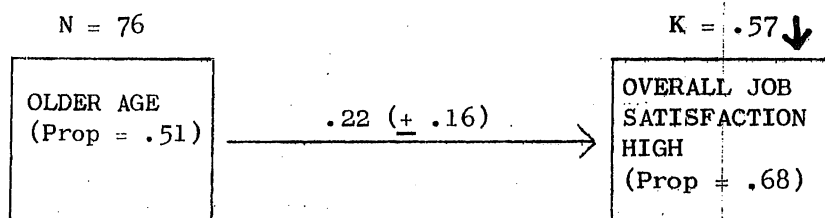
1   A solid arrow indicates a positive relationship
        ("increases"); a broken arrow indicates a
        negative relationship ("decreases").

2   The arrow coefficient (.22 in the example)
        indicates the magnitude of the relationship
        and can range from + 1 (for perfectly related
        variables) to - 1 (for variables with a perfect
        negative relationship). This statistic is "d",
        the difference in proportion, and is equivalent
        to a raw regression coefficient.

3   In practice, in studies such as these, the
following rules of thumb may be used in
assessing "d": from .05 to .15 indicates a
moderate relationship; .15 to .25 indicates a
strong relationship; and anything over .25 is
very strong.

4   The brackets following "d" give the confidence
interval for the conventional 95% level* -
plus or minus .16 in the example.

5   Within the boxes, the proportions of the sample
in the categories are given - i.e. 68% of the
sample had "high" scores regarding their overall
job satisfaction.

6   The K value is the proportion of the base who are
in the category of interest. In the example,
therefore, 57% of younger employees had "high"
job satisfaction.

7   Since "d" is the difference in proportion, it
follows that the proportion of older employees
with high job satisfaction is .79 (that is,
.57 + .22). The mathematically inclined
may also have noticed that (.51 x .22) +
.57 = .68. Clearly, too, by using N the
figures allow one to recreate the original
contingency table.

---

* Calculated with the formula

$$1.96 \sqrt{\frac{p_1 q_1}{N_1} + \frac{p_2 q_2}{N_2}} \quad X \sqrt{1 - \frac{N}{P}}$$

8   Where a variable may take more than two values
        (i.e. High, Medium and Low) one of these must
        be used as the Base category; the differences
        in proportion are <u>differences between the value</u>
        <u>in question and the base category.</u>

9   In the diagrams that follow, arrow with
        coefficients of less than .1 have been
        omitted; given the sample size, the
        confidence interval will always be much
        larger than .1, and by omitting them the
        diagrams can be read more easily.

The data used in the analysis was introduced in the
description of Fairblow.   The variables used are summarised
below - further details are given in the statistical appendix.

<u>Participation</u>   :   Indices of Company, Social and Job
                          Participation based on questionnaire
                          responses and activity measures.

<u>Attitudes</u>   :   Indices of attitudes to management
                          at Fairblow and to management in
                          respondent's previous employment.
                          Some possible problems of

                          interpretation and response
                          effect associated with this
                          latter index are discussed in
                          the statistical appendix.

Satisfaction : Scores on the 11-point scales for
overall job satisfaction,
satisfaction with the different
aspects of work at Fairblow, the
importance of these aspects, and
approval of the idea of Common
Ownership were grouped into
"High" and "Low" categories.

"Background" Data : This included age, sex, length of
service, the type of work (manual or
non-manual), the "status" of
employees (skilled manual and
intermediate non-manual were
"high" status; semi and unskilled
manual and junior non-manual were
"low" status).

3   WHO PARTICIPATES?

The purpose of this section is to consider the social
characteristics of those who take up the various
opportunities for involvement in Fairblow, beyond the
requirements of their job.

As the diagrams indicate, men, those with high status, and
those who have been with the company for a number of years,
appear more likely to have a close involvement in company
affairs:

N = 72   K = .19

| MALE | .22 (± .17)   → | COMPANY PARTICIPATION |
| (Prop. = .71) | | HIGH (Prop. = .35) |

N = 72   K = .24

| HIGH STATUS | .21 (± .17)   → | COMPANY PARTICIPATION |
| (Prop. = .53) | | HIGH (Prop. = .35) |

N = 72   K = .22

| LONG SERVICE | .23 (± .17)   → | COMPANY PARTICIPATION |
| (prop .56) | | HIGH (Prop. = .35) |
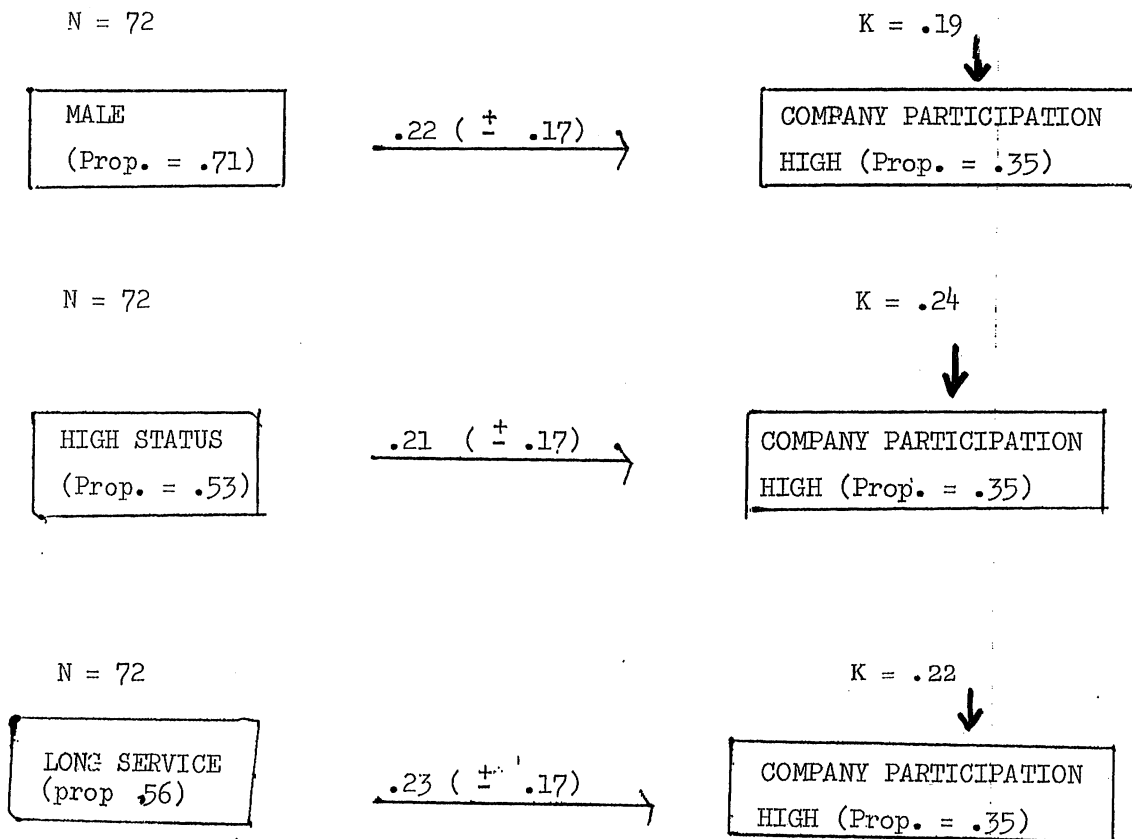
It is interesting that company participation does not appear
to be associated with the type of work - whether manual or
non-manual - of employees; but the skills and responsibility
of employees within both these categories do seem to affect
the degree of involvement.

Age is also associated with participation in company affairs.

N = 72   K = .43

| OLDER EMPLOYEES (Prop = .44) | -.25 (± .16) ----> | COMPANY PARTICIPATION MEDIUM (Prop = .32) |
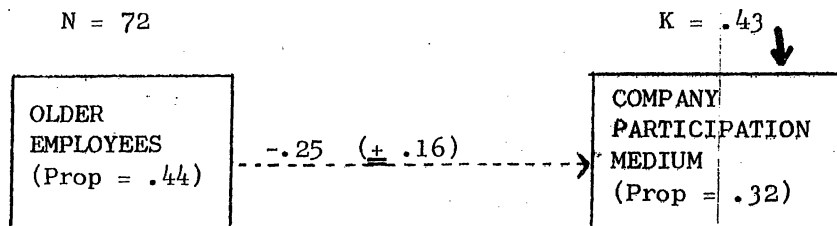
Thus older employees tend not to be moderately involved in
company affairs - they appear to be either high or low
participants (in what seem to be similar differences of
proportion, though the sample size means there cannot be
the same confidence in this corollary).

As regards Social Participation, both the status and the type
of work of employees are associated with an involvement in
the social life of the company:

N = 79   K = .39

| HIGH STATUS (Prop = .54) | .26 (± . 17) ----> | SOCIAL PARTICIPATION HIGH (Prop. = .53) |

K = .43

N = 79

| NON-MANUAL WORK (Prop. = .47) | .22 (± .17) ----> | SOCIAL PARTICIPATION HIGH (Prop = .53) |

N = 79   K = .43

| YOUNGER EMPLOYEES Prop. = .56 | .19 ($\pm$ .17) → | SOCIAL PARTICIPATION HIGH (Prop = .53) |
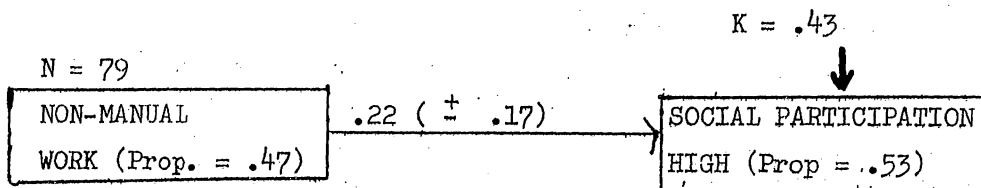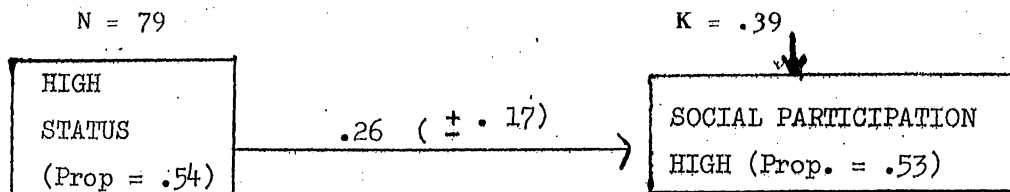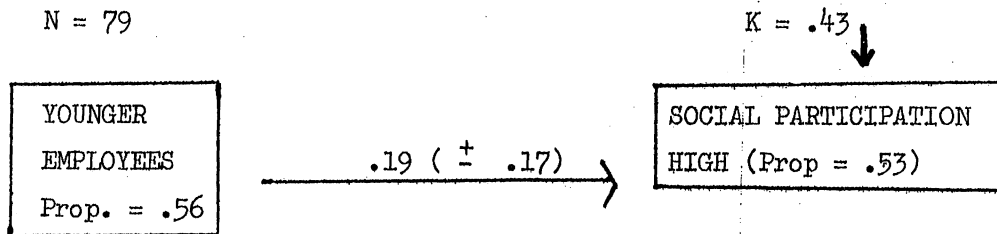
As regards Job Participation only sex and status appear to
be associated with the index - and in both cases some doubt
about the relationship must remain, since the confidence
intervals include zero.

                                          K = .65

N = 75

| HIGH STATUS (Prop. = .55) | .15 ($\pm$ .16) → | HIGH JOB PARTICIPATION (Prop. = .73) |

N = 75   K = .62

| MALE Prop.72 | .16 ($\pm$ .19) → | HIGH JOB PARTICIPATION (Prop = .73 |
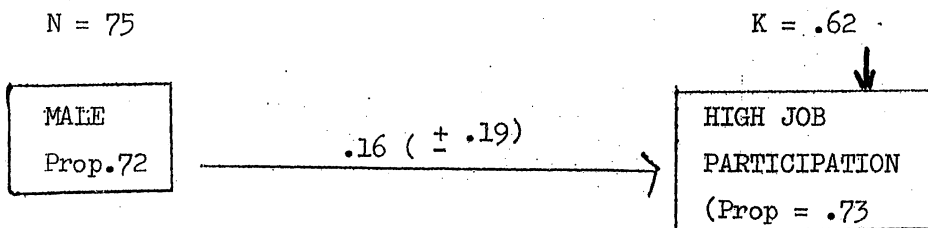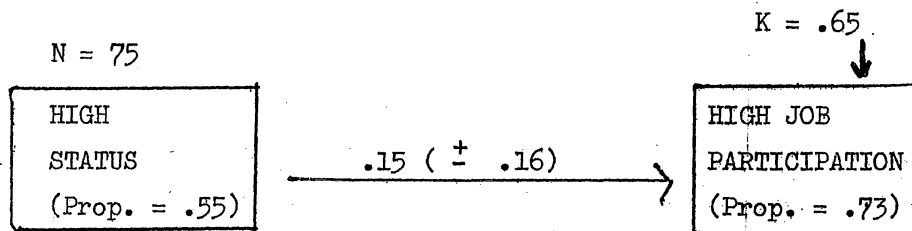
The factors that have been considered so far are basic
classificatory variables and while their relationships with
the different forms of participation give a fair answer to the
question "who participates?" the relationships were more or less
predictable. There are however, a number of other factors
which appear to influence participation.

One of the most interesting of these is the index of attitudes
towards the management in employees' previous employment.

K = .27

```
                                    ┌─────────────────┐
                                    │ COMPANY         │
                                    │ PARTICIPATION   │
                                    │ HIGH            │
                                    │ (Prop = .36)    │
                                    └─────────────────┘
┌─────────────────┐     .19 (+ .19)
│ "ANTI"          │ ───────────────►
│ PREVIOUS        │
│ MANAGEMENT      │      -.28 (+ .18)       K = .45
│ (Prop = .46)    │ ─ ─ ─ ─ ─ ─ ─ ─►  ┌─────────────────┐
└─────────────────┘                    │ COMPANY         │
                                       │ PARTICIPATION   │
                                       │ LOW             │
                                       │ (Prop = .33)    │
                                       └─────────────────┘
```
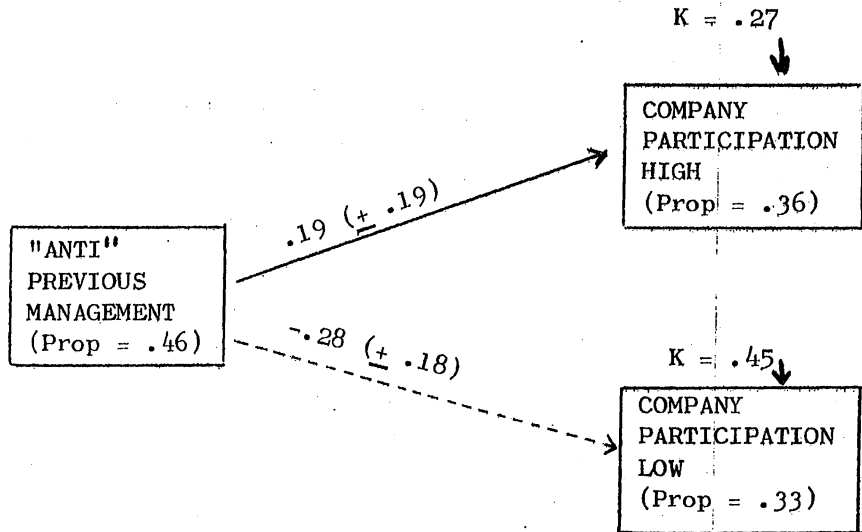
This result must be interpreted cautiously. However in
so far as the index does pick up on differences in
respondents previous employment experience, it appears that
those who held negative attitudes towards their previous
management are much less likely to ignore company affairs,
and indeed, they are more likely to be highly involved.

This could arise in a number of ways, but part of the
explanation for this relationship may lie in employees
(especially older ones) whose experience was in larger
companies having chosen, instead, to work for a less
impersonal smaller company.

In addition, the attitudes to previous management are
clearly related to the importance for respondents of
participating in management:

N = 60

K = .38

```
+-----------------+                              +-----------------+
| "ANTI"          |      .27 (± .19)             | PARTICIPATION   |
| PREVIOUS        |                              | IMPORTANCE      |
| MANAGEMENT      |  ─────────────────────────>  | HIGH            |
| (Prop = .46)    |                              | (Prop = .5)     |
+-----------------+                              +-----------------+
```
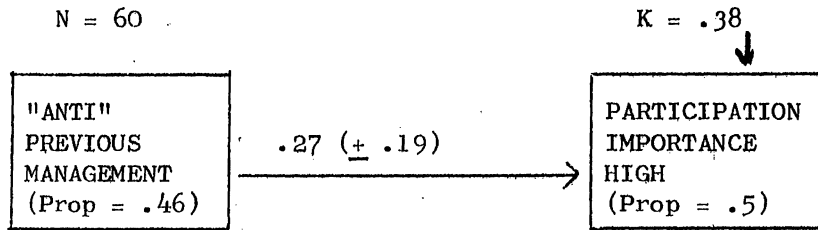
In its turn, the importance of participation is clearly
related to both job and company participation:

N = 75

K = .61

```
+-----------------+                              +-----------------+
| PARTICIPATION   |      .25 (± .15)             | JOB             |
| IMPORTANCE      |                              | PARTICIPATION   |
| HIGH            |  ─────────────────────────>  | HIGH            |
| (Prop = .49)    |                              | (Prop = .73)    |
+-----------------+                              +-----------------+
```

K = .26

```
                                                 +-----------------+
                                                 | COMPANY         |
                                                 | PARTICIPATION   |
                                                 | HIGH            |
                                                 | (Prop = .35)    |
                                                 +-----------------+
```

N = 72

```
                              .18 (± .16)
+-----------------+
| PARTICIPATION   |
| IMPORTANCE      |
| HIGH            |
| (Prop = .47)    |         -.29 (± .16)
+-----------------+
```

K = .47

```
                                                 +-----------------+
                                                 | COMPANY         |
                                                 | PARTICIPATION   |
                                                 | LOW             |
                                                 | (Prop = .33)    |
                                                 +-----------------+
```
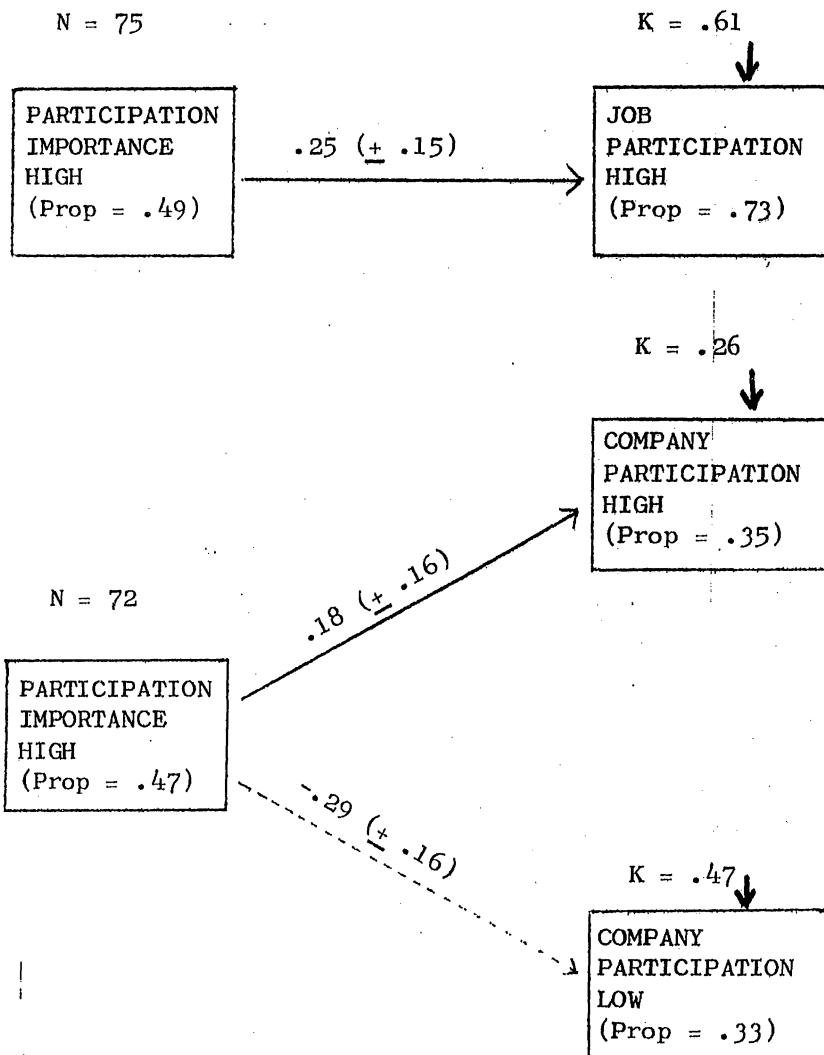
In both cases, respondents who participated highly considered
participation to be important.

In addition, approval of the idea of Common Ownership may be
mildly associated with the extent of involvement in company
affairs:

K = .3

```
                                        ┌─────────────────────┐
                                        │ COMPANY             │
                                        │ PARTICIPATION       │
                                     ┌─>│ HIGH (Prop = .35)   │
                          .16 (+ .19)│  └─────────────────────┘
N = 74                             ⟋
┌─────────────────────┐          ⟋
│ HIGH APPROVAL       │
│ OF COMMON           │
│ OWNERSHIP           │
│ IDEA (Prop = .32)   │ - - -.16 (+ .17)        K = .38
└─────────────────────┘        - - - ┌─────────────────────┐
                                   ─>│ COMPANY             │
                                     │ PARTICIPATION       │
                                     │ MEDIUM (Prop = .32) │
                                     └─────────────────────┘
```
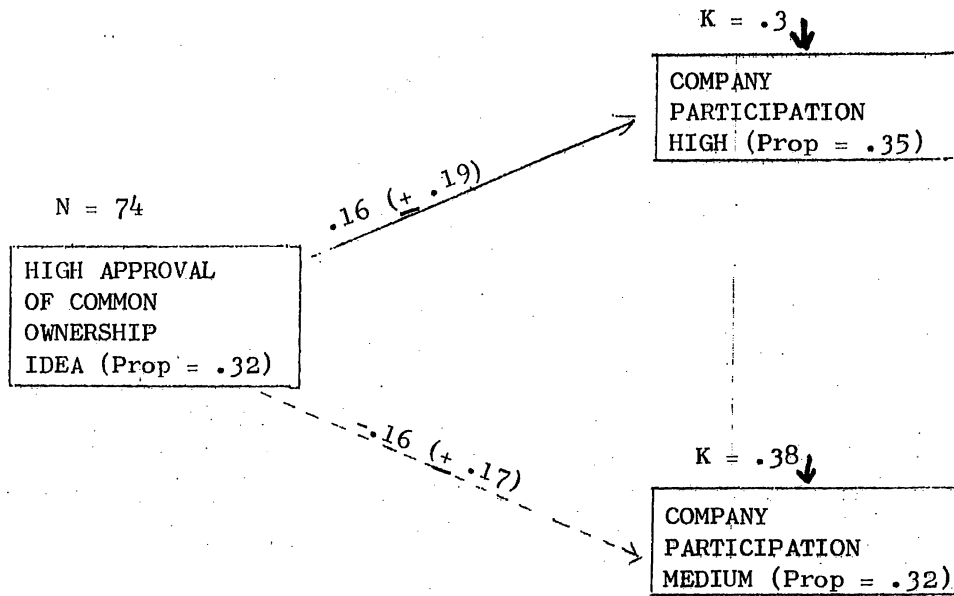
Finally, those who are involved in company affairs in one way
are more likely to be involved in some other aspect of
company affairs - that is to say, the different indices of
participation are themselves related. The most interesting
of these relationships is between Job Participation and
Company Participation:

N = 76   K = .14

```
┌─────────────────────┐                   ┌─────────────────────┐
│ JOB                 │                   │ COMPANY             │
│ PARTICIPATION       │  .29 (+ .15)      │ PARTICIPATION       │
│ HIGH (Prop. = .71)  │ ─────────────────>│ HIGH (Prop = .34)   │
└─────────────────────┘                   └─────────────────────┘
```
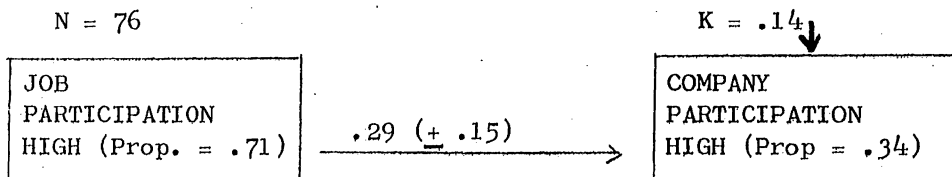
Not only is this associated more strongly than any of the
other variables with Company Participation, but the
relationship seems still to hold if one controls for status
(though it is stronger for high status employees),

Social participation is also related to Company Participation:

K = .22

```
                                                    ┌─────────────────┐
                                                    │ COMPANY         │
                                                    │ PARTICIPATION   │
                                   .23 (± .16)      │ HIGH (Prop = .34)│
                                                    └─────────────────┘
N = 76
┌─────────────────┐
│ SOCIAL          │
│ PARTICIPATION   │
│ HIGH (Prop = .53)│
└─────────────────┘      .19 (±.17)                 K = .44
                                                    ┌─────────────────┐
                                                    │ COMPANY         │
                                                    │ PARTICIPATION   │
                                                    │ LOW (Prop = .34)│
                                                    └─────────────────┘
```
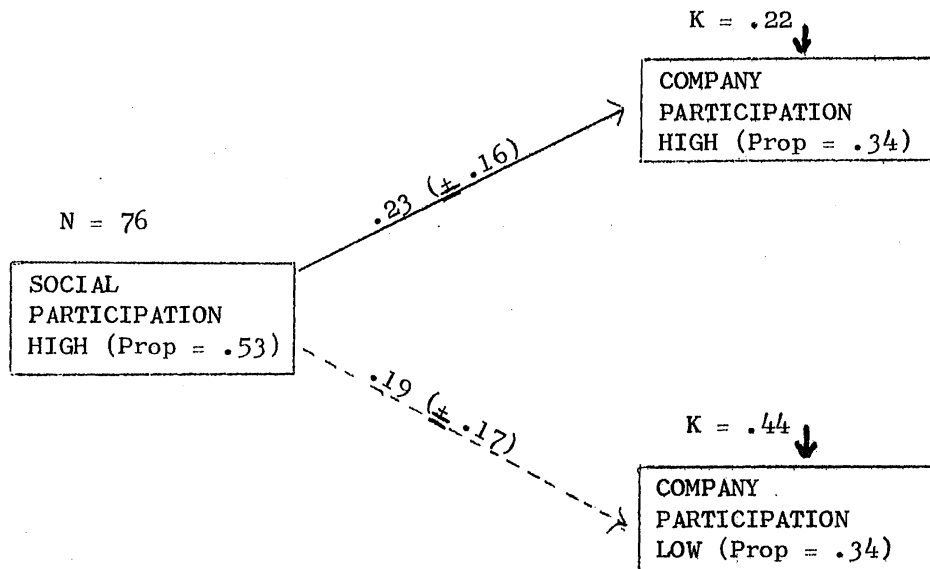
Finally, there may be a lesser association between Job
Participation and Social Participation:

N = 79   K = .41

```
┌─────────────────┐                         ┌─────────────────┐
│ JOB             │                         │ SOCIAL          │
│ PARTICIPATION   │     .17 (± .19)         │ PARTICIPATION   │
│ HIGH (Prop = .72)│ ──────────────────────>│ HIGH (Prop = .53)│
└─────────────────┘                         └─────────────────┘
```
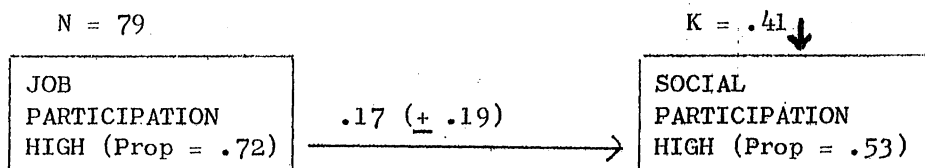
These results can be summarised in the following way:

At Fairblow "high status" employees and those for whom
participation is important, are more likely to participate
in the different areas of company life; in addition, those

who participate in one such area are more likely to participate
in another - this is particularly true of those closely
involved in company politics;   they are overwhelmingly
drawn from those who can be considered as taking a wider
point of view of their day-to-day work, becoming involved in
its connections with other members of the company.   Finally,
it appears that employees' previous work experience is
associated with an involvement in company affairs, a
relationship which may arise from the sort of employees
that Fairblow has attracted.

4. THE SATISFACTION AND ATTITUDES OF THOSE WHO
   PARTICIPATE

The purpose of this section is to consider whether and in what
ways job satisfaction and attitudes to management may be
related to involvement in different areas of Fairblow's
activities. The main emphasis is on company participation,
since it is this area that the Common Ownership structure
makes distinctive. However, job and social participation
are considered briefly and provide some interesting
contrasts with company participation.

Job Participation

There does not appear to be any association between job
participation and overall job satisfaction. This
does not necessarily mean that respondents' involvement
in matters that concern their work is not a source of
some satisfaction; but it suggests that if it is
then those who participate to a lesser extent do not
consider participation so important (as the data have
already indicated) and they find satisfaction in their
work in other ways.

More interesting is the absence of a relationship between
the job participation index and the scores for satisfaction
with participating in management.

This result masks a difference that arises if the type of
work is controlled for: the confidence intervals expand as
the category sizes fall, but it does appear that among non-
manual employees high job participation is associated with
high satisfaction with participating in management, whereas
among manual employees high job participation is associated
with low satisfaction regarding participation in management
$(d = .19 \ (\pm .22)$ in this case).

One plausible interpretation of such an association would
be that manual employees understand something rather
different by the idea of participation in management, as
compared with non-manual employees. The implications of
a difference of this sort are considered later in this
monograph.

Finally, there does not appear to be any association between
respondents attitudes to management and the extent of their
involvement in matters relating to their work.

Social Participation

Turning to Social Participation, there is again no association
between the level of involvement and the overall level of job
satisfaction; nor indeed, with the scores for satisfaction
with respondents supervisor or manager.

The relationship between social participation and attitudes to
management is complex:

N = 77

K = .24

.38 (+ .2)

| SOCIAL PARTICIPATION HIGH (Prop = .27) |
| "PRO-MANAGEMENT" (Prop = .42) |

.38

.2(+ .19)(+ .19)

K = .62

| SOCIAL PARTICIPATION LOW (Prop = .35) |
| "NEUTRAL" (Prop = .42) |

.29 (+ .19)

K = .14

| "ANTI-MANAGEMENT" (Prop = .17) |
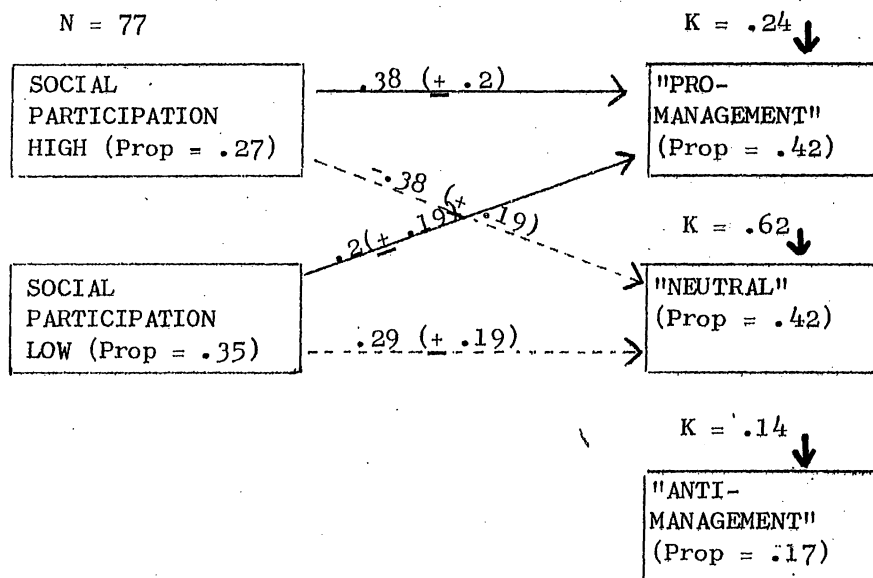
BASE* SOCIAL
PARTICIPATION
MEDIUM (Prop = .37)

*   Since the relationship is non-linear, the social
    participation index was trichotomised in this case.

It is clear that those who are most active in the social side
of company life are the most likely to have "pro-management"
attitudes; but apparently this does not mean that those who
remain uninvolved socially are any more likely to hold negative
view of management.   Although it could arise in other
ways, this result is at least compatible with a high
level of social involvement, being conducive of more
positive attitudes towards management.

Company Participation

There is no indication that those who were closely involved
in company affairs were more satisfied with their jobs.
More significantly, perhaps, there was likewise no relationship
between company participation and satisfaction with participating
in management.   Indeed, the only relevant satisfaction score
to which company participation may possibly be related is
"Satisfaction with the way Common Ownership Works at
Fairblow" - and if there is a relationship here it would
appear to be negative.

N = 73

K = .54

COMPANY PARTICIPATION HIGH (Prop = .36)	--.20 (+ .22) -->	HIGH SATISFACTION WITH COMMON OWNERSHIP AT FAIRBLOW (Prop = .43)
COMPANY PARTICIPATION MEDIUM (Prop = .32)	-.15 (+ .22) -->	
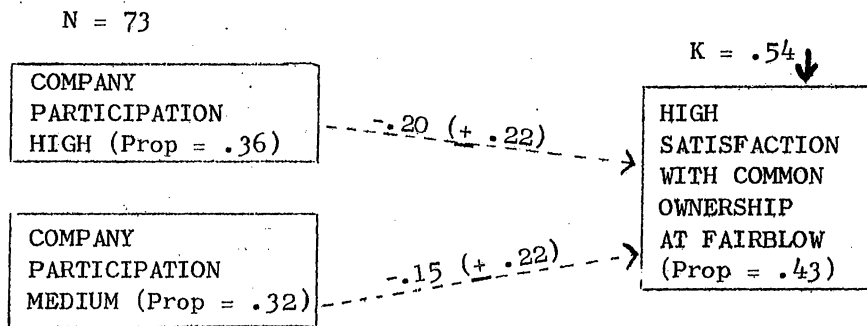
BASE : COMPANY PARTICIPATION
       LOW (Prop = .33)

The most plausible explanation for these results is in terms
of the expectations of those who become involved in company
affairs. It was pointed out, in the first part of this
paper, that both interviews and a number of the descriptive
statistics suggested Common Ownership had raised employees
expectations regarding the company and their influence
within it. Once again, it appears that Common Ownership
at Fairblow has not satisfied the expectations it has
generated. The interpretation is supported by recalling
the fact that high company participation was associated
with strong approval of the idea of Common Ownership -
which may plausibly be interpreted as reflecting
expectations regarding Common Ownership.

Considering next the attitudes towards management of those who
participate in company affairs, the data present an interesting
picture.

BASE : COMPANY PARTICIPATION MEDIUM
       (Prop = .32)
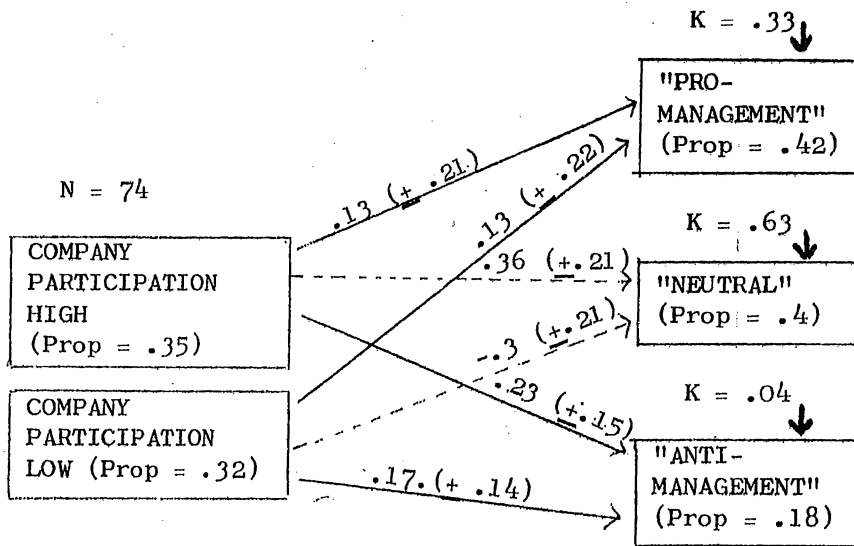
Although some of the confidence intervals include zero the
overall pattern is quite clear: the attitudes of those who
are closely involved in company affairs are polarised; and
the same is true of those whose involvement is slight. There
is a strong indication that both high and low participators
tend not to have neutral attitudes; they either tend towards
a negative view of management (and it is clear that this
happens) or they may have a positive view (though there must
be some doubt regarding this last relationship and it is
clearly weaker than the others). Above all it is clear
that there is no simple linear relationship between company
participation and attitudes to management. And it should be
noted that although the strength of the relationship varies
(and the confidence intervals, of course, stretch alarmingly)
the same pattern remains quite distinct if one controls
for status and the type of work.

The pattern could arise in a number of ways:

(i)   Participation at Fairblow means different things to
         different people: for some (those with negative
         attitudes), it is a way of countering managers
         they distrust; for others (those with a positive
         attitude), it is an expression of support for a
         structure of which they approve.

(ii)   As for those who remain uninvolved in company
         affairs, they lack either the motive for such an
         involvement, or the confidence that it would make
         any difference.

(iii)   Involvement in company affairs changes the
         attitudes of employees: when expectations of
         influence remain unfulfilled this is accounted
         for by blaming management - hence participation
         leads to anti-management attitudes.

(iv)   Moreover, such disillusion leads to apathy -
         hence the association between anti-management
         attitudes and low involvement.

(v)   For some employees with neutral attitudes, a
         close involvement in company affairs enjoins a
         greater understanding of management problems and
         hence more positive attitudes.

Obviously, these possibilities are not mutually exclusive;
indeed, the unstructured interviews provided, for each of
these points, at least one comment to suggest that processes
as described had occurred at Fairblow.   But there is no way
of assessing the comparative importance of these different
possibilities.

So far the analysis has proceeded as if the factors that
determine an employee's level of involvement do not include
the attitudes of employees, a factor that has been treated
entirely as a dependent variable.   Such an assumption is
clearly simplistic.   But, in considering the possible
impact of attitudes on participation, it makes sense to
discriminate between employees in terms of their comparative
attitudes.   One can then distinguish between, on the one
hand, those employees with a positive view of Fairblow s
management who held a similar view of management in their
previous employment, and, on the other hand, those employees
with a positive view of management at Fairblow who held a
much less positive view of management in their previous
employment.   The rationale for classifying employees in
this way is that behaviour is likely to be affected not
just by attitudes being positive or negative, but also by
whether or not management at Fairblow is seen as
different.

For this purpose the sample was divided into three groups:
the first, the "Discriminating Supporters" comprised those
who held neutral or "pro-management" views of Airblow, but
a substantially less positive view of their previous
management. Substantial, for this purpose, meant a
different of at least six points on the two indices - and,
of course, many respondents produced much greater
differences.

The second group were the "Undiscriminating Accepters":
those who held similarly positive or neutral views of
management both at Fairblow and regarding their previous
employment.

Finally, the "Critics" comprised those who held a
consistently negative view of management, along with the
very few respondents who, though, distrustful of Fairblow's
management, held neutral or pro-management attitudes
regarding their previous employment.

The first point to note about this categorisation is that of
the 59 respondents who had been employed elsewhere, a half
were "Discriminating Supporters", a third were "Undiscriminating
Accepters" and the remaining one-sixth of the sample were
"Critics". These proportions are themselves very interesting -
though the small numbers of "Critics" and "Undiscriminating
Accepters" are unfortunate for statistical purposes! A
second point is that the category names imply a particular
interpretation of the data - though perfectly plausible
other interpretations may be possible.

How, then do these comparative attitudes relate to company
participation? The results are striking and a strong
encouragement that it is meaningful to distinguish between
employees in this way:

BASE : UNDISCRIMINATING ACCEPTERS
(Prop = .32)
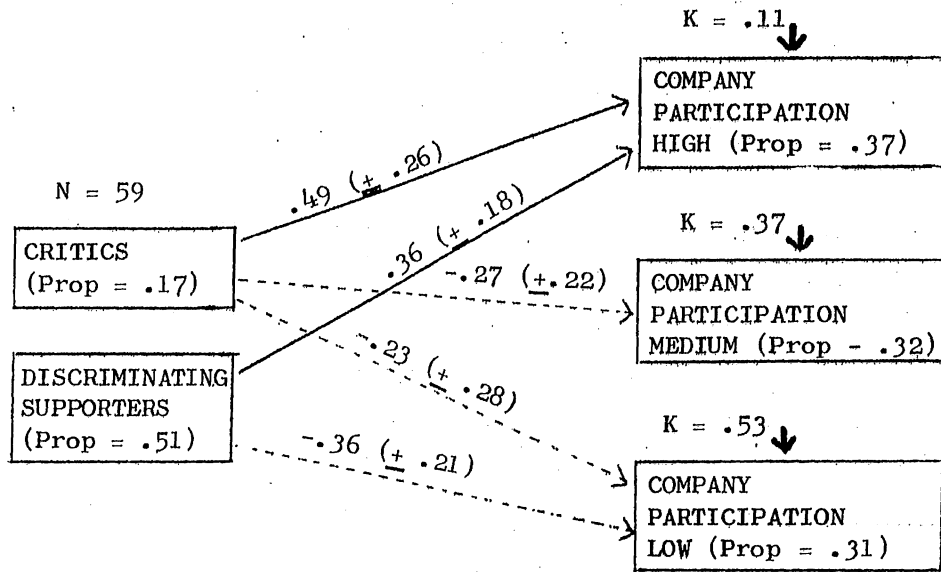
Given the small numbers of "Critics" and "Undiscriminating
Accepters" the procedures used in calculating confidence
intervals were not strictly legitimate. Nevertheless, the
differences in proportion are exceptionally large and the
pattern of the relationships makes intuitive sense.

In substantive terms, the data suggest that the
perception of Fairblow as different and "better" (in terms of
management worker relations) strongly disposes respondents
towards an involvement in company affairs. On the other
hand, respondents who, though uncritical of Fairblow's
management, did not consider the company to be much
different in this respect, are far less likely to become
involved. Finally, those with a negative view of
management at Fairblow (and in most cases elsewhere as
well) tend to become heavily involved or, failing that, to
ignore company affairs altogether (on this last point, the
Critics are less likely than the Undiscriminating

Accepters to be low participators - not surprisingly, since
the latter group dominate this category - but they are more
likely than the Discriminating Supporters to be low
participators).

Since the comparative attitudes of respondents appear to be
such an important factor in their response to Fairblow, it
is worth considering the profiles of the three groups more
closely.   Firstly, manual workers are more likely to be
"Critics", but status does not appear related to comparative
attitude.

Social participation is related to comparative attitude, if
at all, in the same way as company participation - though far
less strongly.   On the other hand "Critics" are less likely
to have high Job Participation scores, and likewise they tend
not to rate highly the importance of participation.   The
Discriminating Supporters, on the other hand, do tend to
consider participation important.   Predictably, too, the
"Critics" are the least likely to be highly satisfied with
the extent of their "participation in management", their
relations with their supervisor or manager, and, indeed, with
their job as a whole.   On these satisfaction scores, there
is a consistent, if slight and statistically insignificant,
tendency for the "undiscriminating accepters" to be more
satisfied than the "discriminating supporters".

Finally, the attitude items concerning Common Ownership present
differences that are by this time almost predictable.   The
"Critics" are distinctly less satisfied with "the way Common
Ownership works at Fairblow", while the other two groupings
display almost identical proportions that are "highly"
satisfied.   But as regards approval of the idea of Common
Ownership, the Critics - half of whom give "high" approval -
are far in front of the "Discriminating Supporters" - one-

third give "high" approval - while, most interestingly, the
"Undiscriminating Accepters" bring up the rear, with only
a fifth evincing enthusiasm for the idea of Common
Ownership.

However crude the distinctions used in classifying
respondents regarding "Comparative Attitude" it should
be clear that this is a factor that warrants serious
examination on situational, psychological and
ideological dimensions - in any future research of this
sort.

5 IMPLICATIONS OF THE ANALYSIS

The aim of this section is to consider the implications of
the analysis, first for the view that extensions of
participation may promote satisfaction and more positive
attitudes to management; and secondly, as regards future
research on the way employees respond to and assess Common
Ownership structures.

Participation, Satisfaction and Employee Attitudes

The consistent absence of a relationship between
participation, in any of its forms, and satisfaction, is
striking.   Until recently, it was widely accepted that
increased employee participation led to greater job
satisfaction.   But as Lischeron and Wall[24] demonstrate,
the empirical basis for this belief has never been
particularly strong.   Without longitudinal data this
analysis can be no more conclusive than other correlational
studies that were rather freely interpreted as supporting
the participation-satisfaction hypothesis.   It is quite
possible after all that those who participate would be
much less satisfied than the non-participators, if they
did not have the various opportunities to participate.
Nevertheless, the results are hardly encouraging for
proponents of the participation-satisfaction hypothesis.

Moreover, some of the other results suggest why participation
may be unrelated to satisfaction.   First, it should be noted
that the three different forms of participation each related
to respondents' attitudes in different ways.   High "company
participation" was associated with negative (and possibly
also positive) views of management; high "social
participation" was association with positive attitudes to
management; and high job participation was not associated

with any particular attitude to management. This seems to
confirm the decision to consider them separately as
different activities to which employees may give rather
different meanings. However, the participation-
satisfaction hypothesis has not always been qualified by
reference to the extent or context of participation - despite
the fact that the results which were (rightly or wrongly)
interpreted as supporting the hypothesis, arose from far
more limited extensions of participation, usually affecting
only the task or departmental levels. Hence, the first
point is that participation is a very general concept and
even if it is the case that extensions of some forms of
participation increase satisfaction, there is no
particular reason to suppose that extending any form of
participation will have the same effect.

Secondly, the polarisation of attitudes that seemed to be
associated with a close involvement in company affairs
suggests that those who participate in this way at Fairblow
may view their involvement and interpret their experience
in quite different ways. In contrast, it is possible that
there is a far narrower range of meanings associated with
the more limited extensions of participation with which most
of the participation-satisfaction literature has concerned
itself. If these speculations are correct, then it would
not be surprising if there is no simple relationship between
participation in this form and satisfaction.

This leads to the third, and most important, point (which may,
in fact, underpin the first two). The data have consistently
suggested that the expectations of employees at Fairblow have
been raised by the introduction of Common Ownership. If
this is the case, then it becomes extremely difficult to
interpret satisfaction scores at all: low satisfaction with
participating in management may simply tell us that
expectations have been raised (and vice versa). The

relationship between low company participation and high
satisfaction with participating in management may readily be
interpreted in this way.   The trouble is that if the
expectations of many employees have changed the measures of
dissatisfaction are too crude: for example, a degree
of disillusion or dissatisfaction with the results of getting
involved in company affairs does not rule out the possibility
of employees still having gained some satisfaction from what
they have learned and achieved through their involvement.
In other words, the extremely simple measures of
satisfaction that have been used in this (and many other)
studies cannot really cope with the ambivalence that may
arise when expectations are raised and only partially fulfilled.

The implications for the participation-satisfaction hypothesis
are therefore clear: firstly, even if it can be shown that
extensions of participation in some forms lead to greater
satisfaction, it does not follow that participation at
other levels and in a different context will necessarily have
the same result - as Blumberg[25] for example, seems to assume.
Secondly, if increased participation has, on occasions, led
to greater employee satisfaction this may have been
achieved because the change was introduced without raising
employees' expectations unduly.   Thirdly, where
expectations are affected by more ambitious organisational
changes, a far more subtle concept of satisfaction is
required - and, indeed, it may be an irrelevant concept to
include in any assessment of such changes.

Implications for Future Research on Employee Ownership

Since the research at Fairblow was exploratory regarding
employee responses to the Common Ownership structure, it
should be assessed in terms of the indications it has
given of fruitful avenues of further research.   Before
listing the factors and relationships that appear to be
important and worth much closer examination, one point

must be stressed: if the conclusions that follow do have
some basis in reality, this may very well be limited to the
early years of Common Ownership structures, where these are
introduced in similar fashion to Fairblow.

The first factor that must be considered if any future
research is to account for employees' responses to Common
Ownership is the effect on expectations that such a structure
generates. This seems to affect who becomes involved and the
assessment of how well it is working. The various problems
and possibilities that may emerge from such raised
expectations are considered more closely in the last part of
this monograph but it is clear that they may powerfully
affect the way the structure works. Hence expectations must
be considered as regards the sort of employees who are likely
to become involved; as regards the outcome for both
individuals and the company of such involvement; and as
regards the assessments that employees make of such
structures.

Secondly, the previous experience of employees, particularly
as this affects their comparative attitude to a Common
Ownership structure, deserves further attention. This could
have implications for the sort of employees a Common
Ownership firm might hope to attract. And it might be that
certain personality variables are associated with the
different comparative attitudes.

Finally, and most importantly, it is clear that the dynamics
of involvement in a Common Ownership firm must be examined
much more closely. It is clear that employees may view
their involvement in rather different ways and it is likely
that such involvement may affect attitudes and future
involvement in a number of ways. The factors that
condition these different processes must be explored if the
conditions for "successful" (i.e. satisfying or effective)

participation are to be unearthed. Some initial steps in this direction are made in the final section of this paper. Given the likely complexity of these processes and the difficulty of longitudinal studies it is unlikely that a quantitative approach to these questions would be appropriate. But these issues are clearly crucial, both for an understanding of Common Ownership structures, and for the way the rapidly increasing number of such firms may be expected to function, especially since the results from Fairblow undermine the more simplistic elements in the views of some proponents of worker ownership, regarding the ways in which such structures may be beneficial.

6. SATISFACTION AND ATTITUDES REVISITED

The analysis in the peceding sections has been centrally
concerned with participation in its various forms. The
reason is that the Common Ownership framework provides some
distinctive opportunities in this regard - and the supposed
benefits of participation are currently a subject of some
interest. In addition, many employees understood Common
Ownership in terms of "having more of a say". However,
it was pointed out in the first part of this paper that the
managers of Fairblow were less inclined to emphasise the
formal mechanisms of participation and gave more emphasis
to a participatory management style. Moreover, the Fairblow
sample produced their second highest average satisfaction
score on the item concerning relations with respondents'
supervisor or manager. It is therefore worth considering
some possible effects of satisfaction with this aspect of work.
In this case, the results must be even more cautiously
interpreted: apart from the usual problems of
assigning causality and interpreting associations in the
absence of controls or longitudinal data, the comments that
follow put a considerable weight on the responses to a
single item. The reader may well take the view that the
horse on which the analysis rides should be flogged no
further. For what it is worth, however, this variable
does relate rather strongly to some of the other variables
of interest.

It should be noted, first of all, that respondents'
satisfaction regarding relations with their supervisor or
managers is not associated with either status or the type of
work. Hence, the variable does not appear simply to reflect
contextual factors associated with the sort of work
performed. But respondents' satisfaction regarding relations
with their supervisor or manager is clearly related to the
scores for job satisfaction.

Given the discussion above, the latter relationship may
simply indicate that good relations are associated with
lower expectations.

N = 79   K = .53

```
┌─────────────────────┐                    ┌─────────────────────┐
│ SATISFACTION        │                    │ OVERALL             │
│ WITH                │   .28 (+ .16)      │ JOB                 │
│ SUPERVISOR          │ ─────────────────→ │ SATISFACTION        │
│ HIGH (PROP = .59)   │                    │ HIGH (Prop = .7)    │
└─────────────────────┘                    └─────────────────────┘
```

N = 72   K = .39

```
┌─────────────────────┐                    ┌─────────────────────┐
│ SATISFACTION        │                    │ SATISFACTION        │
│ WITH                │   .27 (+ .18)      │ WITH                │
│ SUPERVISOR          │ ─────────────────→ │ PARTICIPATING IN    │
│ HIGH (Prop = .57)   │                    │ MANAGEMENT          │
│                     │                    │ HIGH (Prop = .54    │
└─────────────────────┘                    └─────────────────────┘
```
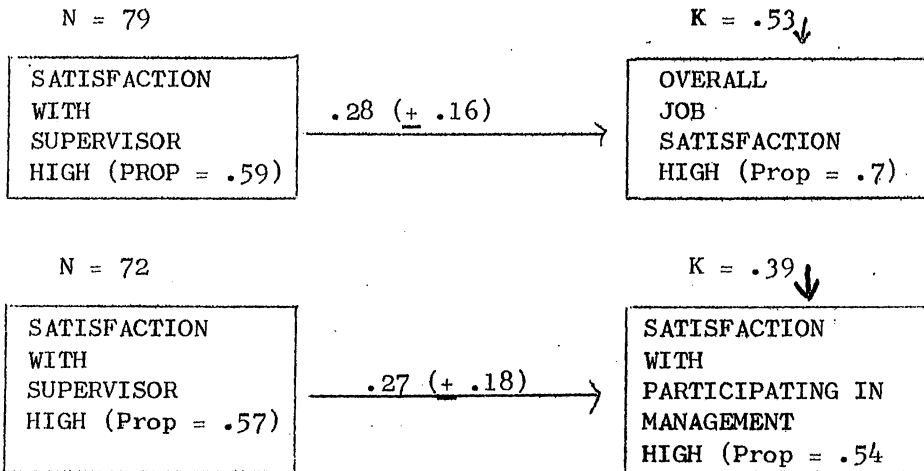
The supervisor satisfaction score is also related to the
attitudes to management of respondents:

N = 77   K = .28

```
┌─────────────────────┐                    ┌─────────────────────┐
│ SATISFACTION        │                    │ "PRO-               │
│ WITH                │   .23 (+ .19)      │ MANAGEMENT"         │
│ SUPERVISOR          │ ─────────────────→ │ (Prop = .42)        │
│ HIGH (Prop = .59)   │                    │                     │
└─────────────────────┘                    └─────────────────────┘
```
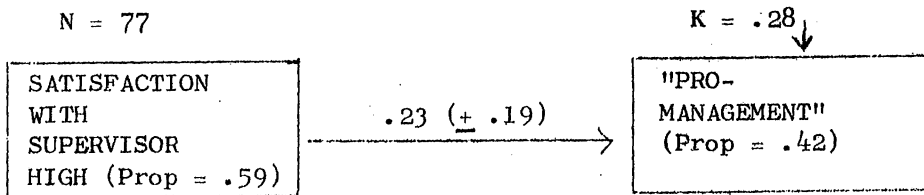
It is tempting to conclude from this (as Fairblow's managers
certainly would) that employees' satisfaction and positive
attitudes to management (which were not, in fact, associated
with participation) may have been promoted instead by the
effort devoted to the promotion of good internal relationships.

But is it reasonable to contrast good relations between
supervisors and those they supervise (or managers and those
they manage) with other forms of participation? Is this not
the principal way in which many employees become concerned
about and involved in their company and influence decisions

that affect them beyond what is strictly required by their
jobs?   The answer is that the good relationship as such is
hardly a form of participation;   and if it were associated
with a greater involvement in some other aspect of work or
the company then this should be apparent.   In fact, the
scores on this item are associated neither with job nor
social nor company participation (in the last case there is
a slight relationship and it would appear to be negative).
Hence there are no real grounds for considering that good
relations between supervisors and those they supervise (or
managers and those they manage) are really an indication of
employee participation, as defined.

At this point it is worth reviewing the argument so Far.   One
aim of the research was to consider the impact of Common
Ownership on the satisfactions and attitudes of employees.
Since Common Ownership involves some distinctive opportunities
for participation, and since it has generally beeh held that
participation is a source of satisfaction for employees and can
lead to more positive attitudes, it made sense to examine
whether participation was associated with greater satisfaction
and "positive" attitudes to management at Fairblow.   The
results of this analysis were a curious mixture: on the one
hand, satisfaction appeared high and the attitudes to management
were comparatively appreciative.   Moreover, those who viewed
worker-management relations differently at Fairblow, compared
with their previous employment, did seem more likely to become
closely involved in company affairs.   On the other hand, there
was no real indication that such involvement accounted for the
satisfaction with employment at Fairblow, and if participation
in company affairs was weakly associated with positive
attitudes to management, it was fairly certainly associated
with negative attitudes.   Above all it was clear that the
introduction of Common Ownership had raised employees'
expectations - to an extent that made any assessment of
satisfaction with participating in management very dubious.

Hence, if one is to account for employees' positive attitudes towards Fairblow, it cannot be in terms of participation. As an alternative, the good internal relations, as reflected in the respondents' scores for satisfaction regarding relations with their supervisors or managers, appear far more promising.

But the question that remains is <u>whether this has anything to do with Common Ownership.</u> Do not the good internal relationships arise simply from a style of management that has deliberately been fostered at Fairblow - and that could equally well be promoted in a conventional company?   This is not a question that can be answered by numbers, but it is a major issue in the final part of this monograph.

PART III : THE IMPACT OF COMMON OWNERSHIP

1   INTRODUCTION

This section attempts to trace and analyse the impact of the
Common Ownership structure within the day-to-day activities
of members.   In what follows the impact of Common Ownership
is considered in three stages.   First, it is argued that a
continuing process of adjustment and development has occurred
since, and as a result of, the introduction of Common
Ownership.   Secondly, in the major part of this section,
the impact of Common Ownership on the organisation at the
time of the research is described, and this leads, through
a discussion of some apparent tensions, to an analysis of
some profound underlying problems that are posed by the
ownership structure.   It is argued that how these issues
are resolved (or not, as the case may be) is likely to
determine the character of the company as it evolves.
Finally, there is an assessment of the impact of Common
Ownership so far.

Given the nature of complex systems, it is not at all
surprising that the impact of Common Ownership at Fairblow
should, so far, be undramatic.   When one element in a
complex system is changed, there is a lag whilst other
aspects of the system adjust to the innovation; even then
the impact may be varied diffuse and unspectacular unless
congruent developments arise in other areas to reinforce the
original change.   It may be that the conventional patterns
of organisation are largely determined by the social and
economic environment, and the system will adjust to a
change in the ownership structure with a minimum of change
in other spheres.   Alternatively, the tensions generated
by the change in ownership may eventually precipitate

further developments (perhaps in conjunction with other
internal or external pressure) that lead gradually to a
more thorough-going restructuring of the system - or to its
failure and disintegration. However, the extent to which,
and the conditions under which, Common Ownership can make
an impression on the strongly inter-connected patterns of
conventional company objectives, organisation and
attitudes is certainly not a question that this
investigation could resolve. The point is that gradual
developments arising from Common Ownership continue to occur;
the "final outcome", if there be such, is far from clear.
That there are continuing developments is indicated in a
number of ways. Firstly, reference has already been made
to the disquiet expressed at senior levels, when the founder
suggested he might "give the company away". The following
except from a board level memo, written by a senior director
in late 1972 gives an indication of the severe misgivings
that existed:

> "It is, of course,profoundly disappointing
> to hear the views of the shop floor as
> expressed in the Consultative Group on the
> subject of profit sharing.
>
> "If this is a sample of the disincentives
> which are likely to be applied to efficient
> and go-ahead management when the employees
> have an equal say, then I am certain that the
> company will not be successful nor have an
> efficient and go-ahead management very long.
>
> "The views then expressed were pure unenlightened
> self-interest and when the more senior and
> more intelligent staff combine with the
> management to outvote the lower paid this
> will accentuate and not alleviate the "them"
> and "us" conflict already evident.

"It was also very clear that the elected
representatives were in no way going to
accept any responsibility for any action
which might reflect adversely on any of
their workmates no matter how inefficient.

"Transfer these attitudes into a Community
with 100% shareholding! We would be much
better as we are.

"I now learn that a garbled version of the
Consultative Group Meeting has been
circulating in the town!

"So much for a responsible attitude to
confidential discussions on managerial
matters".

Although some managers and directors still expressed misgivings
as to where the experiment might ultimately lead, there were
no longer any prophets of doom. Indeed, the author of the
memo quoted was prepared to admit, like other managers, that
whatever the problems, there were advantages to Common
Ownership, and it could be made to work.

The shift in management attitudes is also revealed by the
following incident: on one occasion a senior manager was
furious to be asked his opinion regarding a proposal from
the board, about which he had heard nothing. This situation
arose when the Consultative Group acted earlier or quicker
than the management group, as a channel of information. But
most managers were comparatively unconcerned and many took it
for granted that an erosion of the normal patterns of
communication was inevitable in a company with their aims and
constitution. In addition, interest in Common Ownership
appeared to be increasing - copies of the production

director's DMS thesis on the subject were circulating
amongst managers during the period of the research. And
evidence has already been given that employees have become
better informed about the constitution of the company.

The evolution of the Consultative Group over the period
since the introduction of Common Ownership also indicates
the gradual development of the representative procedures.
Not only did management consider that as a result of Mr. G's
leadership it was much more effective (it had developed a
consistent posture with a right to prior information) but
there had been a distinct increase in business understanding
so that some representatives were able, for example, to
explain "cash flow" problems to the few that did not
understand the term. But probably the most significant
change was the creation of the management group and its
subsequent recognition as a channel for managers views.
This implies a more "pluralist" conception of the company
from which Consultative Group members (arguably) stand to
gain at least as much as managers. Finally, criticism of
the constitution especially regarding the composition of
the Council, was gathering strength. As indicated above,
a move sponsored by the founder to increase the number of
Consultative Group representatives on the Council failed to
get the necessary 75% majority largely because it was not
thought to go far enough. As the research ended, the
first non-director to be Chairman of the Council was
promoting a far more radical revision of the constitution
which would abolish the directors veto and end the
fiction of managers being represented by the Consultative
Group. Junior directors on the Council supported this
move as the only way to establish the credibility of
Common Ownership framework. The only senior director on
the Council was not prepared to rupture the consensus of
Council Meetings by opposing the amendments, though he was
patently unenthusiastic.

It should be clear, therefore, that the description of
organisation and attitudes that has been given in the
preceding sections of the paper presents a single frame shot
of a system that is developing and adjusting to a basic
alteration in its own structure. There was no indication
that this "stimulus" was spent

2   COMMON OWNERSHIP AND THE CLIMATE OF FAIRBLOW

What analysis, then, can be offered of the impact of Common
Ownership to date?   The answer suggested is that Common
Ownership has had a distinct impact on the climate of the
organisation and partly as a result of this it has posed
a number of problems.   These problems are not acute but
neither are there any obvious solutions.

To say that "Common Ownership has affected the 'Climate'*
of the organisation is to say that it has changed
"the way things are supposed to be".   For to be a Common
Ownership firm is, in the first place, to be different.
And the ownership structure does not simply offer employees
a place in some obscure constitutional process;   it also
insinuates certain ill-defined rights.

In theoretical terms, the Common Ownership structure
ascribes a status to employees, as owners to whom
management are ultimately responsible.   Quite what the
status involves in this context is obviously uncertain;
a stable pattern of expectations has yet to emerge.
Despite this uncertainty, the change has implications:
for example, an authoritarian management style would
generate enormous strain within the role-sets of managers

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*   The term climate is notoriously hard to specify but is
    used to refer generally to a pattern of values and
    beliefs concerning an organisation, and affective states
    occurring in it, that are widely shared, recognised, and
    to some extent, acted upon.   Like the original concept
    of alienation "organisational climate" is a general concept
    that assumes some correlation between objective and
    subjective factors and therefore faces similar
    operational difficulties since the objective and
    subjective aspects may diverge. [26]   Its value in
    explanations hinges on the relative stability of the
    features it refers to;   hence it can be considered as
    mediating the perception and effects of other changes in
    the underlying structure and processes of the organisation.

and employees. And conversely a participative management
style at least reduces this role strain. In practice
the actual content of the role "employee-owner" as it
develops, will arise from "negotiation" - perhaps in a
literal as well as a sociological sense.

The point is that ownership is a strong word, even if its
meaning in this context is unclear. And whatever is fairly
genrally accepted as an implication of Common Ownership is
likely to be part of, and affect, the climate of the
organisation. More specifically, the organisational
climate at Fairblow now seems to incorporate the following
two, rather general, concerns:

1.   At Fairblow, the interests and concerns of
        employees are to be especially respected
        and treated as seriously as the situation
        allows - at least as much as in other "well
        managed" firms.

2.   At Fairblow there is more ground for
        co-operation, therefore conflict is
        particularly inappropriate and should
        be avoided is possible.

It is suggested that these views are part of the climate of
Fairblow because they appear to be widely taken-for-granted
regarding what should, and what, to some extent does happen.
This is not to deny that Common Ownership at Fairblow is
understood and assessed rather differently by different
people. Rather, these propositions represent a public
consensus. They are the common denominator of views
about Fairblow and Common Ownership - what nearly everyone
in the company would readily assent to in a context
including management and workers; and, indeed, what many

would also assent to privately as a simplified summary
notwithstanding that in particular contexts many employees
and managers would also suggest stronger or weaker, and
above all, more complicated views of the implications of
Common Ownership at Fairblow.

Since Fairblow has always been considered a "friendly" place
to work, where people were "well treated", concerns not
dissimilar to these must have permeated the outlook of staff
long before the introduction of Common Ownership. But the
earlier identity was clearly being eroded - the company was
no longer small, the proportion of employees remembering the
"pioneering days" was falling steadily, the junior directors
were taking over from the men who built the company. Thus,
Common Ownership was introduced when the atmosphere, and
indeed the structure of the company were changing; in this
context it provides a stronger rationale than could be
provided by simple appeals to the past, for claiming the
company is "special" and that to some extent things are, and
should be. done differently. It is suggested, therefore,
that the impact of Common Ownership at Fairblow has been one
of preserving and strengtheneing features of the climate that
might otherwise have fast disappeared. It should also be
noted that this was one of the founder's main goals in
introducing Common Ownership and to this extent his hopes
have been realised. But, of course, it remains to be seen
whether this will continue to be the case or whether, in due
course, the climate and atmosphere of Fairblow will be
marked by divisions - if, for example, some of the
differences in interpretation of Common Ownership becomes
sufficiently important and explicit to undermine the loose
public consensus under which the company presently
operates.

Some evidence of this change in organisational climate can be quickly reviewed.

The evidence has already been presented that for many employees, expectations of influence have been raised as a result of the introduction of Common Ownership. Whilst some are, to a degree, disillusioned, and have already reduced their expectations accordingly, this is largely a pragmatic acceptance of the existing situation and does not seem to involve a normative acceptance of their existing influence.

Evidence has also been given of the strong concern by managers to practise "participative management" and consult with employees or their representatives whenever they consider this practicable. Of course, Fairblow has always been managed "softly" so this is not something that has been "caused" by Common Ownership. But it does appear to be reinforced, as is borne out by some remarks of managers - for example "Common Ownership makes a good manager's job easier, and a bad manager's job more difficult". Evidence has also been presented of the desire to avoid conflict - the value placed on maintaining consensus in meetings, management's preference for suggestions and coaxing rather than strict instructions, and employees' emphatic rejection of Trade Unions at Fairblow.

The previous points are fairly directly linked to Common Ownership and the concept of organisational climate is not needed to account for them. To say only that the climate has changed in these respects would be simply a more tortuous way of saying that these aspects of the organisation have changed. But there are indications that Common Ownership has other indirect effects and to account for these the concept of climate seems useful. For example, the personnel manager described with some pride the amount of training that

the company undertook - a comprehensive programme that the
Engineering Industries Training Board apparently considered
more or less unique for a company of their size. Clearly,
this programme has not been developed "because of Common
Ownership" - nor did the personnel manager make any such
claim. Rather, anything less comprehensive would have been
at least a minor shortcoming in a management that felt
obliged to aim for the highest standards in all such matters.

A further example is given by the occasion when the board
proposed to the Consultative Group certain modifications to
the rules concerning sick pay. As formulated in the early
days of the company these were both generous and rather loose
leaving some possible loopholes for unusual cases. The
board's proposals were essentially a rationalisation of these
rules, involving some reductions in what would be paid under
particular circumstances. When the representatives met
independently to discuss these proposals, there was a general
feeling that they represented an encroachment on the privileges
staff and employees had enjoyed; and they were, to some extent,
typical of the changes that had been taking place in the
company over the previous years and of the difference between
the younger directors now running the company and the senior
directors who had built the company up. The representatives
therefore decided to oppose most of the suggestions, and
indeed, were confident they would do so successfully. They
prepared arguments to the effect that in many cases the
savings would be trivial and the costs of administering
them would be substantial. Moreover, they were prepared
to argue that employees did not really want that sort of
company, many valued the additional security highly and they
were prepared to take a chance on a very occasional abuse of
the rules. Prior to the Joint Meeting (of representatives
and board) these views were conveyed to the personnel manager

and hence to the board, as was the normal procedure before
Joint Consultative Group meetings.   As a result, the board
withdrew the proposals entirely.

It is not possible to say that this outcome could never
have happened but for Common Ownership;   nor did the
representatives in their own discussion make more than
very passing references to the Fairblow Community and
Common Ownership.   Nevertheless, the strong impression
remains that having gone to the trouble of preparing to
the proposals, the board would have been much readier to
press the issue and the representatives much less confident
of success, were it not for the impact of Common Ownership
on the climate of the organisation.

In this instance the organisational climate affected both a
decision on fringe benefits and the way in which this decision
was reached (disagreement was avoided).   This impact on the
way the Consultative Group works is perhaps the most
important consequence of the distinctive climate at Fairblow.
The Consultative Group is concerned with matters of direct
concern to employees: these cover pay, fringe benefits,
working conditions and the establishing and overseeing of
grievance procedures.   To this extent, the representatives
work is no different from that of shop stewards.   Indeed,
the representatives often referred to what trade unionists in
other companies were negotiating, as possibly appropriate
requests to put to the board.

But here the similarity ends, because the representatives
press their case in a rather different way.   Instead of
bargaining on the basis of a threat, implicit or explicit,
of industrial action, the representatives operate on the
board's sensitivity to criticism, their desire to be seen
as upholding the ideals of the constitution and the

highest possible standards of management practice. This is sufficiently firm ground for the Consultative Group to operate with considerable effectiveness. But this way of working has major implications for those who, among employees, are likely to become "politically active" within the company.

Firstly, the company offers little scope for activist employees with a thoroughly oppositional attitude to management. Given the climate of Fairblow, there is little support for, and there are few issues that might unambiguously be seen as justifying, an oppositional stance - especially since the distribution of all surplus earnings as bonus precludes any simple definition of employees' interests. Two cases illustrate the point clearly:

> Mr. B. is a skilled worker aged 56. He
> is a committed trade unionist and in
> previous employment was a "militant"
> shop steward and convenor. He refuses
> to take any part in Fairblow community
> politics (not even voting in elections
> or returning questionnaires) since, at
> his age and with his reputation,
> another job would be hard to find. In
> any case, the apathy of the workforce
> means there is little hope of the
> company becoming the trade unionist s
> dream which he feels it ought to
> be.

Mr. W. is a militant trade unionist who
approximates the "troublemaker" stereotype.
He was reckoned - even by those who admired
the way he stuck to his principles - to be
argumentative, cantankerous and unwilling
to give and take.   After a brief career as
Consultative Group chairman, he resigned
and was ultimately dismissed by the company
for refusing to fill in time sheets on his
work.   Since everyone recognised these were
for costing purposes and not a means of
control, there was little sympathy or
support beyond his immediate work area.

This was a traumatic experience for the
management of Fairblow and considerable
efforts were made to avoid the showdown.
The only point really at issue was
whether his inappropriate and isolated
refusal to co-operate was sufficiently
serious to warrant dismissal.

The sacking was upheld by the Consultative
Group with only two dissenting votes, and
Mr. W's appeal to an Industrial Tribunal
was dismissed. *

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* These events all happened before the research was
conducted, but had become part of the folklore of
the company. The account given above was
constructed from numerous conversations with
employees and managers.

Significantly, Mr. B came from Scotland and Mr. W from .
South Wales, areas with a very different labour
traditions.

Secondly, the structure and climate of Fairblow provide
an opportunity and justification for employees with a
more favourable attitude to management to take an
active part in company affairs · something that may not
have been easy in their previous employment, if the
opportunity existed at all.   A number of examples are
possible, but the two most important elected offices provide
stark illustration

> Mr. G, the Consultative Group Chairman,
> had been a trade union member in a
> large unionised company in his principal
> previous employment; but he had never
> been active, and he lapsed his membership
> immediately upon leaving.   His stance of
> "loyal" opposition, which some saw as
> "leaning towards management" has already
> been described.
>
> Mr. C aged 36, had held a number of
> different jobs, including manual ones
> before joining Fairblow Dynamics and
> settling in a sales post.   He had stood
> as a "moderate" candidate for shop
> steward, when a union member in a previous
> job.   He was unsuccessful, strongly
> suspected the vote was rigged, and left
> the union in disgust.   He was extremely
> active in the company and became the
> Community Council chairman.   He pushed
> hard for democratisation of the Community,
> and the abolition of the directors' vote.

However, the fact that some "activists" at Fairblow have a comparatively positive attitude to management and that those with strongly oppositional views are not active, does not mean that the position of employees is weak. In the first place it is far from clear that the company would be unionised if it were still privately owned. Secondly, many representatives have attitudes that lie between those of the "militants" on the one hand and those of the "management orientated" on the other. It is certainly not suggested that only deferential employees are willing to be representatives. Finally, those with generally positive attitudes to management are certainly not uncritical; indeed, there may be a tendency for activists to become more critical of management as they become more involved in company affairs.* It is probably more accurate to say that the strengths of the Consultative Group are also its limitations - and both reflect the climate of Fairblow. The representatives have become an effective watchdog over many matters of concern to employees, but their activities centre on the traditional largely defensive objectives of collective bargaining; they cannot go beyond the public consensus on which they typically argue their case. Thus, they have yet to take initiatives that go beyond the conventional concerns of employee representatives although, arguably, the structure of the company does present some scope for this (a point discussed further below). It may be, of course, that employees do not wish to pursue other than traditional concerns; the point is that if they did, it is not at all clear how they might do so within the present organisational climate.

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* As an extreme case, the middle manager who resigned from the Council in a bitter and explicit protest at its inactivity, is one illustration of this - which also reinforces the previous point that an active oppositional role is untenable at Fairblow. If and when this "radicalisation" does occur, it presumably results from the frustration experienced by those with high expectations who see little result for their time and effort.

In summary, it has been argued that the introduction of
Common Ownership has had a distinct impact on the
organisational climate of Fairblow.   It has done this
by preserving and strenghtening certain specific features
of the climate that were being undermined and eroded by
the growth of the company and the retirement of the
founder   The climate, in turn, conditions a number of
different aspects of the way the company works.   Hence,
the impact of Common Ownership to date is no less
significant for being mostly subtle and diffuse.   In
addition it should be noted that although this
interpretation conflicts with employees frequent
disclaimers that "it makes no difference here", it may
be seen as confirmed by their replies to the questionnaire,
in which Common Ownership was reported as benefitting many
different aspects of the company, including some with no
direct connection to the Common Ownership structure (see
discussion on pages 72 - 73 above).

3   UNRESOLVED ISSUES (1) - . THE OBJECTIVES OF THE COMPANY

Although the suggested effect of Common Ownership on the climate
of Fairblow would be considered beneficial by most employees
and managers, it is also clear that certain problems have been
produced by the introduction of Common Ownership.   These
appear in a number of different ways to members of the
company but it will be suggested that they arise basically
from two unresolved issues -

(i)   What are the objectives of Fairblow, as a
           Common Ownership firm - and how can its
           performance be assessed.

(ii)   What scope is there for democratic
           influence in a commercial organisation -
           and how can it be combined with the
           processes of commercial decision-making.

In the discussion that follows these issues are discussed in
turn.   In each case the discussion starts from the problems
as they appear to those in the company.   But it must be
stressed that although these are discussed as problems, they
are certainly not urgent or severe, from either management
or employees' points of view.   Members of the company who
are interested in Common Ownership recognise that Fairblow
is still coming to terms with its implications and that the
representative procedures are still somewhat inadequate.
But the company remains successful, it is a good place to
work, and it is certainly not obvious what specific
developments should be pushed - or that it is actually worth
trying to do anything about them.   Hence, the issues
considered are the sort of chronic, low-grade problems that
are intermittently considered and put aside.   One can

—   134   —

always hope, quite reasonably, that things will improve as
time goes on; if, instead, circumstances change and they
become acute, then the issues may also be clearer and there
may be more support for change.

However, as far as understanding this form of organisation
is concerned,the problems are important.   Arguably, they
may become serious issues for the company in different
circumstances - such as a period of financial difficulty.
And even apart from this, the underlying problems may
constitute the blocks to any further organisational
developments.

The description and analysis already presented have frequently
referred to the degree of disillusion, confusion and
uncertainty expressed by many members of the company when
discussing Common Ownership.   Arguments about the policies
and performance of the company were often conducted at cross-
purposes.   At one stage, shortly after the introduction of
Common Ownership, it was suggested that the company should
aim to maximise profits as a percentage of wages and salaries
and there is no doubt that a large bonus is still a key
objective - indeed, it appeared at times to have a symbolic
status within the company.*   But some members doubted that
this should really be the aim of the company and nearly
everyone doubted that this was all that Common Ownership
meant.   Some members deduced other objectives from Common

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*   One junior director recounted how he had once expressed
     concern to a senior colleague that dissatisfaction and
     poor working relations had become a serious problem
     in the company.   The senior director told him not to
     worry: in a couple of weeks the bonus would be
     declared and all such problems would evaporate.
     According to the junior director, this is precisely what
     happened.

Ownership, either instead of, or as well as, maxmising the
bonus. For example, several members claimed that it meant
no redundancies, and cited the example of Scott Bader Ltd.
Others thought that it meant reorganisations should be
conducted with more respect for the people involved and less
for minor cost reductions. Above all, there was uncertainty
regarding the weight that should be given to employees and
their representatives' opinions.

In fact, Common Ownership does not "mean" anything in particular -
and it could "mean" nothing at all, if members so chose. Which
is why the goals and objectives of a Common Ownership firm are
indeed profoundly problematical. Simplifying somewhat,
conventional companies customarily pursue a goal of long term
profit maximisation and the objectives at any point reflect both
this and the specific circumstances in which a particular company
finds itself. Such a structure of goals and objectives constitutes
a comparatively straightforward discipline under which a
performance can be assessed in a limited number of well-
established ways. In contrast, a Common Ownership firm
has the opportunity, within the constraint of long term
economic viability, of choosing whatever goals it will and
ordering them as it pleases. This is potentially a Pandora's
box and even the masterfully condensed "Company Objective"
(quoted on page 17 above) by no means exhausts the possibilities.
Moreover, it is irrelevant that members of the company do not
see the problem in these terms; the point is that more or
less whatever the company does, it will be vulnerable to
criticism in some other respect, or at least subject to
doubts that perhaps Common Ownership really means something
else, or more. The various hopes and ideals implicit in
members' remarks, and the various elements in the "Company
Objective" are potentially conflicting goals, which in most
cases are difficult, if not impossible, to measure. Hence,
even if an agreed order of priority were somehow to emerge, there
would still be ample scope for uncertainty and dissession when
, it came to assessing performance.

These problems can be usefully illustrated by considering the
issue of participation (or "having a say"). Many members
implied that for them the mark of a "true" Common Ownership
firm would be a degree of employee influence significantly
higher than is found in conventional companies. One way of
achieving this would be through a gradual reorganisation of
production on the basis of autonomous work groups, possibly
in the case of fans with "group technology". Given also that
many employees were dissatisfied with the intrinsic aspects of
their work, such a change would be a significant embodiment of
the company's ideals. However attractive this might appear,
it is not difficult to see why such a policy is most unlikely
to be implemented.* The cost to the company of additional
training and tools would be substantial. And it is not
clear that this would be offset by financial gains: absenteeism,
turnover, quality and work flow/line balancing, are not
problems at Fairblow, so it is unlikely that significant
savings would emerge in these areas. Hence, one could only
hope for significant productivity increases if employees worked
faster when they enjoy more variety and discretion in their
tasks and a greater control over the pace of work. If this
did occur, the productivity increases would have to be very
substantial to offset the costs. In addition, it is likely
that some of Fairblow's older employees would be reluctant
to undertake further training and responsibility, and the
company would have the problems of finding useful roles
for the supervisors once the changes were completed. In
short, an attempt to extend participation at this level
might well be costly in financial terms and traumatic in
organisational terms. Even if the changes were introduced
very gradually and ultimately a majority of the company was
affected and approved of them, they would initially use part
of everyone's bonus - including those who did not stand to

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* The question of job enrichment has already been considered
by a sub-committee of the Management Group, and quietly
rejected.

gain.   Hence, in this form the extension of participation
is an objective that might well appeal to some members of
the company but that in all likelihood would be strongly
resisted by others.

Moreover, these difficulties arise simply from probable
differences over how strenuously the goal of participation
should be pursued; the discussion assumed some measure of
agreement on what would constitute participation and its
desirability.   In fact, such agreement may be unlikely:
although there was general agreement that the representative
procedures should be "strengthened", this appears (not
surprisingly) to have meant different things to different
people.   Nor may such differences only occur between
managers and employees: among employees with an interest
in Common Ownership there appear to be substantial
differences over the sorts of issues and the ways of handling
them, that would constitute "really" having a say (such
differences are not surprising in the light of the
relationship between attitudes and participation suggested
by the statistical analysis).

Hence, even if the active members of Fairblow are agreed that
the company should aim to promote participation, it may be
very difficult to reach agreement on how far this should be
pursued, how it should be embodied, and on whether the policy
is succeeding.

In a sense, these points are elementary;   in industrial
relations, it is taken for granted that those involved have
very different points of view - otherwise there would be no
problem.   But the unsurprising fact that beneath Fairblow's
loose public consensus there remain substantial differences,

is not trivial.   At present these differences can remain
submerged since the system does deliver many of the desired
goods - principally in the form of regular (and sometimes
substantial) bonuses.   But every company has its ups and
downs, eventually.   So the effects of a difficult financial
position deserve a moment's speculation.   It is of course
possible that members would accept conventional remedies as
the surest way of regaining their bonus.   But it is also
possible that financial restrictions will raise questions
regarding social equity in remuneration, the level of fringe
benefits, and the importance of preserving jobs; and that
unpopular decisions will provoke demands for "more say" -
to name a few contentious issues in which the significance
and presumed implications of Common Ownership are likely to
be important elements.   In short, the consensus by which
the company currently operates would be severely strained.

This suggests that such a situation would require the
significance of Common Ownership, and the ordering of
competing priorities to be tackled more explicitly.

In summary, therefore, the introduction of Common Ownership
allows members to attribute a wide range of objectives to
the company, in the belief that they are appropriate, or
even necessary for "true" Common Ownership.   Since no firm
can hope to satisfy vague and conflicting expectations, some
disillusion and uncertainty has resulted.   It can be expected
that this confusion will be particularly marked in the early
years of a Common Ownership company, and to this extent it
may be considered a temporary phenomenon that will fade in
time as a more stable and coherent pattern of expectations
develops.   On the other hand, it was suggested that these
issues might flare up rather more fiercely should Fairblow
face difficult economic circumstances.

4   UNRESOLVED ISSUES (II) - THE TWO SYSTEMS OF CONTROL

The second issue posed by the introduction of Common
Ownership concerns the development of effective forms of
participation.   The constitution of Fairblow promises an
organisational democracy;   but it does not (and, indeed,
could not) offer a solution to the problems of achieving
this in day-to-day practice.   These problems are best
considered in terms of the structures and processes that
embody participation at Fairblow and the ways in which
these currently appear unsatisfactory to members of the
company.   In analysing them the problems are usefully
viewed as one concerning the scope of the two control
systems - the representative procedures on the one hand
and the conventional hierarchy on the other - and, crucially,
the uneasy relationship between them.

The failure (in the eyes of many employees and managers) of
the Community Council to establish any role beyond that of
a very passive supervisory board has already been mentioned.
The directors were well aware that many employees consider
the Council a meaningless charade and this was of some
concern to them.   In response, their reports to Council
meetings were carefully prepared to include explanations of
basic elements of business practice and the business world, in
the hope that eventually more substantive questions could be
discussed in meetings.   Likewise, some directors supported
the constitutional amendments (mentioned above) in the hope
that the abolition of the directors veto and a more directly
representative Council would increase employees' confidence
in the system.   On the other hand, the reluctance of the
directors to bring major policy options to the Council for
discussion is based on the belief that doing so would not
benefit, and might well harm, the board's capacity to direct
the commercial affairs of the company.

These points demonstrate the interdependence and tension
between the two systems of control. The one requires and
inhibits the other. To legitimate the structure (and their
own position in it) the directors require representative
procedures that have a more demonstrable impact. But
such an impact may reduce their own capacity to control and
direct the company in a changing environment.

It could be argued that this is a problem of transition: the
constitution was more or less handed down to employees and arguably
it will not really be accepted until it has been amended a
few times. Likewise, as business understanding increases
among employee representatives and as expectations become
more sober the Council may become an effective Supervisory
Board. There is doubtless some truth in this but the
tension between the two control systems appears in many
other ways, some obvious (such as employees' concern that by
"speaking up" they would damage their prospects in the
company) and others less so.

One such problem concerns the danger of representative
procedures only operating effectively at lower levels and
thus simply bolstering the system of managerial control.
The starkest illustration of this was the suggestion by a
few managers that there should be participation in the
setting of pay differentials, within a department or
section. In other words, employees at a particular level
would make merit assessments on each other. The form on
which merit assessments are recorded has six criteria on
which people are ranked: quantity of work, knowledge,
quality of work, conduct, initiative, and general attitude.
The last of these is explained as follows:

> "Consider character co-operation and
> attitudes to the job, associates,
> supervision, and the company.
> Flexibility."

Clearly the assessment reflects managerial concerns, some
of which might not be shared by employees.   As it stands,
participation in merit assessments would require employees
to adopt the point of view of managers regarding the
primacy of certain goals and the importance of certain
conditions in achieving them.   It seems fair to say that
this would reinforce the system of managerial control at
the expense of other objectives and other (more egalitarian)
ways of achieving the desired integration and performance.

However, it is doubtful that this suggestion could be
introduced since many employees resent the merit procedure
as it stands and would, in all likelihood, refuse any
involvement in making assessments.   But the same issue of
the possible absorption democratic mechanisms arises over the
role of representatives.   It has already been mentioned that
some managers complained about Consultative Group or Council
representatives refusing to take responsibility for difficult
and unpopular decisions.   The representatives, of course,
saw things differently.   For example, when they were meeting
separately to discuss redundancy policy, one representative
complained that the board liked to involve them in this sort
of decision "so that they can hold it against us later".   Not
everyone ·agreed with him, but those that did evidently felt
that the Board liked to wheel in the Consultative Group to
help with any "dirty work".   Since the representatives would
have little control over the events leading to such problems,
and since they would not really be in much of a position to
decide whether there really was "no alternative". the board
was effectively offering them responsibility without power.
Whether or not such situations constitute an absorption of
the democratic mechanisms within the system of managerial
control, it is clear that the two processes coexist uneasily.

In all the difficulties mentioned, the inequalities of power,
in its various dimensions (information, expertise, social
skills, status, the capacity to reward and punish, organisation
and coherence, etc) that are fundamental to hierarchical
authority systems, and the distrust such systems
characteristically generate, reduce or undermine the
influence of the representative procedures.

But even these inequalities of power are not the whole of the
problem - or alternatively, even in the event of these
inequalities somehow being drastically reduced, certain
substantial problems would remain.   The board's decisions,
following a questionnaire survey of opinion, to introduce a
compromise system of bonus distribution ("Owing to the size
of the minority") and the anger this aroused, have already
been described.   On this occasion, the procedure was
completely unclear: employees, including many managers,
referred to the questionnaire survey as a referendum - and
their anger at seeing the results overturned is therefore
understandable.   The board, however, considered the survey
simply as a more thorough means of consultation, and in this
light their decision in equally understandable.   Minorities
have always been a problem for democracies and in choosing a
compromise they were plausibly choosing the most widely
acceptable option.

But this poses a further question: who should decide how
such a decision is made?   At present, the Board of
Directors decides, but without any explicit rationale.   This
confusion is particularly apparent within the Joint
Consultative Group, where there is no clear distinction between
consultation and joint decision-making.*   In theory, joint

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*   In consultation, authority remains with whoever is normally
    responsible;   in joint decision-making, each side has a
    veto.

decision-making occurs only in cases of contested dismissal;
since a majority vote is required, the representatives have
a collective veto.   But otherwise there is no voting, which
suggests consultation.   However, it was also claimed that
there is no voting because the Joint Consultative Group
operates on the basis of consensus decisions.   This is
true in a sense, but interpreted strictly, it would give the
representatives more power on other issues!   In fact, of
course, there are some issues on which the board is prepared
to continue talking until everyone is agreed and others where
nothing more than minor consultation occurs.   The result is
that the representatives are never sure quite how seriously
they are going to be taken - there was some disbelief, for
example, when the board accepted their proposals on
redundancy;   it was not the sort of issue on which the
representatives had expected to be influential.   If one
asks "who benefits?" from this state of affairs, the answer
is obviously the board, who can decide in the light of the
representatives reactions whether they will risk being mildly
constrained by the representatives or not.

But, as an explanation, this is incomplete, since if it were
to try to do otherwise the board would face a real difficulty.
Decisions are multidimensional and do not divide neatly into
separate categories, each suiting a particular form of
participation.   Distinctions between commercial decisions
and community decisions, or between policy and implementation,
or between matters of major concern to employees and others,
are extremely difficult to maintain in practice.   Hence the
scope of the two control systems must inevitably remain blurred,
and even if employees and their representatives were well
organised, well informed and articulate, this aspect of the
problem would remain.   Indeed, in such circumstances, it
might very well become acute.   Currently, the business
experience and expertise of the board is accepted by
representatives - pragmatically and often with misgivings -

as distinguishing the decisions they will press hard on (and
expect to be taken seriously on) from those over which less
influence is sought or expected.   If the comparative
expertise of the board were significantly reduced (or even
thought to be), then an explicit attempt to redefine the
scope of the two systems would be vital.   Otherwise any
matter that affected employees, in the short or long term,
would require a major exercise in participation.

This most emphatically, is not to argue that such a
strengthening of the representatives position is undesirable.
It is simply to agree with the employees at Fairblow when they
say "everyone cannot decide everything"* and that therefore some
agreed demarcation between the two systems is necessary.
But even given a high level of trust the tangled and
slippery nature of managerial decisions would make any such
demarcation difficult - and probably contentious.

This is a general point of some importance and worth
illustrating further, since little attention has been paid
to the nature of "management" in which it is often proposed
employees should participate.   A major policy issue facing
Fairblow concerns whether and how the company should
expand.   This decision will involve many considerations:
several new products are being developed, the current office
and factory space is fairly well filled and there is the
prospect of at least some kind of general economic recovery.
In addition, the current premises are two factories and this
physical separation is obviously inconvenient.   On the other
hand, many employees - including managers - regret the
increasing scale of operations and a decentralisation of the

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* Unless members of the company are prepared to devote a
very large amount of time to participatory decision-
making.   Since Fairblow's competitors will not be
behaving in the same way, this would mean employees
valuing such participation very highly - and being
prepared to sacrifice at least their bonus.

of the company into three partially autonomous divisions
(Instruments, Fans and Domestic Products) has been suggested
as a way round this. Thus, the board may have to decide in
the next few years whether to buy one larger factory to house
the company, to buy another small factory for one of the
divisions, or to invest in expensive extensions and space
saving storage equipment as a possibly temporary measure.
And there are probably other alternatives still. Nor is a
decision not to grow an easy answer. The fluctuations in
the national economy lead to fluctuations in the labour the
company requires. To some extent, these fluctuations can
be met by natural wastage, the retirement of over sixty-
five's and the bringing-in of sub-contracted work; but the
pressure to avoid redundancies can best be met by the
successful introduction of new products. However, such a
policy results in growth during periods of economic
expansion. In addition, it is arguable that managers have
a definite interest in expansion: if their departments and
responsibilities expand as a result, not only will their
salaries increase, but their career prospects, if they move,
will be improved. In contrast, the "going rate" for a
press operator is the same regardless of company size.

Quite clearly, the problems of whether, how, and where, to
expand is one that affects the interests of employees both
indirectly - through the commercial viability of the
company - and directly, in that it may determine through the size
of the company, the sort of relations they have at work and the
variety in the job they do, quite apart from the convenience
of travel to work and similar considerations. And equally
clearly there is no single clear cut issues, nor a
straightforward choice between discrete policy options for
employees to debate and choose between. It is a "mess" [27]
rather than a problem. Nor is there any clear cut point at
which "the issue" must be settled. "It" has been around for
some time, and could be postponed if need be. The very
nature of the problem may change drastically in a short

space of time, and what seemed like a realistic option a few
months before may become impossible, whilst last month's
dilemma may be irrelevant as circumstances change. For
example, a particularly successful product may make better
space utilisation on the current sites quite inadequate, or a
suitably located factory of appropriate size may come on the
market. One way to understand this point is to take a
managerial decision after it has been made, and then try to
work out when, in fact, the decision was really reached. It
may be possible to pinpoint a particular time when one option
was chosen from among others, but it is just as likely that
the decision was really an "inevitable" consequence of prior
decisions (though this was not realised at the time) or that
the decision was made by default of other options (when did
they default?) or even that those concerned were not at any
point aware of reaching a decision - it was gradually assumed
that a particular course of action should be followed.

But if managerial decision-making is a continuous stream with
many complex currents, how can anyone know - directors, let
alone employees - the appropriate stage for employee
participation?

Of course the Community Council could exert pressure on the
board by issuing guidelines and asking the directors to
account for their decisions in terms of them. But unless
such guidelines are dangerously restrictive, they will
inevitably allow numerous different interpretations and
emphases. Those - in this case the board of directors - who
interpret the guidelines, assess the particular circumstances
and weigh the conflicting values, will still have effective
power. And even if employee representatives possessed a
large enough measure of the expertise experience and specific
information to ensure the guidelines were fully respected, the
continuously shifting nature of such decision-making would mean

a substantial amount of the representatives' time would be
taken up (given the risk of one or two representatives
losing contact with their workmates or colleagues and
uncritically absorbing a managerial perspective - the
usual problem with worker directors - there would ideally
be a number of representatives involved, or at least
different representatives involved in different issues).

This is not to imply that many of the strategic company
decisions, which a Community Council might consider, would
involve a clear clash of interests between the "top" and
"bottom" of the company. As in this case the issues will
normally be far more complex with interests both converging
and diverging. Moreover, unanimity among employees is
unlikely (it is rare enough on a board of directors).
Finally, attributing "interests" to different groups is far
from straightforward: for example, to the extent that
managers absorb an ideology of partnership and participation
they may promote policies that would otherwise plausibly
be considered "against their interests". On the other hand,
all these difficulties scarcely justify ignoring the
question of interests altogether, so it is not
unreasonable to consider what would be required for the
system of democratic control to operate at this level.
And the point is that for many complex and important issues
there can be no neat interface of the two control systems; a
considerable overlap seems to be required. To make this
effective would probably still be difficult and it would
certainly be costly.

Again, it can very well be argued that many of the problems
mentioned are hypothetical and the preceding discussion
grossly exaggerates the difficulties. Such as they are,
these arise essentially from the transition to Common
Ownership. Gross misunderstandings, as occurred over the
bonus "referendum", can be avoided in the future while
"custom and practice" establish tacit distinctions between

different sorts of decisions and the extent of employee
influence upon them.   And despite the difficulties
described, the outlines of a workable system are clear:
the council, in due course, will function as a Supervisory
Board, influencing matters of general policy;   while the
Consultative Group deals with day-to-day affairs with purely
consultative status on many matters but with an effective
veto on matters of central concern to employees (such as
dismissal and redundancy).   In any case, whatever level of
employee influence is thought appropriate "good management
practice" is generally a more or less acceptable basis for
decisions.   In addition, this also provides a fairly
powerful lever for employees that offsets the imbalance of
power in other respects.   Hence, the basis for durable
patterns of relationships is clear.

This view may well be correct and the tensions between the
two systems of control may gradually fade - though this still
leaves open what happens in a period of financial difficulty,
when "good management practice" might appear too costly and
existing "case-law" irrelevant.

However, even under the present arrangements, there is
another important aspect of the relationship between the two
systems of control that makes it doubtful that they will
"settle down" in the way suggested.   This aspect is the
pre-empting of one control system by the other: management
anticipate pressure that might be applied through the
representative procedures.

Before examining the reasons for and significance of this,
some examples must be reviewed.   In describing the way the
Consultative Group worked the role of Mr. G was emphasised
(page 27 above).   In particular, the extent to which he was
consulted in advance about anything potentially controversial
ensured that the board could modify their proposals or

announcements, to take account of the likely reaction. More
specifically, the withdrawl of the proposed changes regarding
sick pay before they appeared on the official agenda,
illustrates the same point. And mention has already been
made of the considerable efforts the company undertook at a
time of some financial uncertainty to avoid a redundancy by
creating another job. On this occasion (as indicated) the
support of "soft" interpreters of Common Ownership among the
senior managers was important. But Mr. G was at least as
important by indicating that if the company went ahead with
the redundancy, the Consultative Group representatives would
be obliged to fight the issue.

The reasons for this pattern are very obvious: not only can
it be considered part of "good communication" but the anticipation
of employees' and representatives' reactions is a way of
minimising conflict. It reduces the chances of disagreement
in meetings and thus prevents situations arising in which the
board might appear as making proposals that neglected or
ignored the concerns of employees. The Board and managers
clearly hoped and expected that by acting in this way they
would increase employees' confidence both in them personally
and in Common Ownership structure.

In fact, the consequences of this pattern appear to be exactly
the opposite of these hopes. By pre-empting their criticism
and opposition, there is nothing for the representatives to
be seen doing. In the case of the changes concerning sick
pay, nothing appeared on the notice boards on agendas or
minutes; in the case of the threatened redundancy, it is
not clear that even Mr. G - let alone his fellow
representatives - appreciated the influence that had been
wielded. Like so many personnel or grievance issues, this
remained confidential and the only announcement made concerned
the transfer of the individual concerned to his new post.
The effect of the many day-to-day consultations between Mr. G

and senior management was to make his work mates wonder
whose side he was really on.*

The point is that power and influence are seldom obvious,
and then almost always in an open conflict.   Because the
board's proposals generally go to the limits of "good
management", and in any case, take account of employee
reactions in advance, it is very rare for them to be
modified or rejected.   The representatives have the choice
of accepting them as they stand, or trying to modify
carefully worked out (and, as regards fringe benefits,
typically generous) proposals that the board is unwilling
to reconsider because they are the most they feel able to
offer.   Not surprisingly, the result is usually no more
than token resistance, in the rare event of a clear conflict
emerging, the representatives are still unlikely to exact
major concessions.   Hence, the representatives' influence -
which is nonetheless real for being limited in scope -
remain invisible, even to most of the representatives.
Indeed, probably only Mr. G was aware of the full extent to
which management took account of employees' views, since
only he would see the difference that resulted when, from
time to time, he would shake his head and tell the manager
or director seeking his opinion:

"The lads won't like that."

It is not surprising, therefore, that when employees were
asked their opinions of the Consultative Group in
unstructured interviews or conversations, several replied
with the question:

"What has it achieved?"

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* A short time after the research ended, the elections
  for representatives were held; Mr. G was not
  re-elected.

When the question was returned and tried on some other
employees, only two examples were cited as definite
achievements.   The first was the representatives success in
persuading the board to hold the "referendum" on bonus
distribution (already referred to) and through this in
getting some of the bonus distributed on a flat-rate
basis.   Since this was a compromise solution, the
achievement was thought to be limited.   The second
instance - which had taken several meetings to resolve -
concerned the payment of "merit money" in a department where
a new manager had been appointed.   The new manager refused
to award "merit money" until he had worked long enough to
assess his staff;   the staff - and representatives - insisted
that the money should be paid, on the basis of previous
assessments, if need be.   The board finally agreed and
instructed the manager to make awards.   This was scarcely
a major issue - indeed, one representative described the
entire disagreement as "silly".

It is suggested, therefore, that by pre-empting the role of
the representative procedures, the management of Fairblow
make the representatives' influence invisible and prevent
any widespread confidence in those procedures developing. *
Since this pre-empting springs largely from a desire to
avoid conflict, that is also firmly embedded in the climate of
the organisation, there is no straightforward way round the
problem.

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*   It is also worth mentioning that what has been described
    as the pre-empting of the representative system could
    also be viewed from the opposite point of view as an
    inhibiting of the managerial system by the representative
    procedures.   This appeared to be the view of a couple of
    senior members of the company who believed that too much time
    was spent asking other people their opinions of other
    peoples' opinions about possible decisions.   One senior
    manager who had come to Fairblow from a larger company
    expressed the view that Fairblow might be better off with
    a "good trade union organisation".   But in the nature of
    the case, it was impossible to assess whether, or to what
    extent, the management of the company was impaired in the
    way suggested.

In summary, therefore, it has been argued that the various
deficiences in the existing representative procedures (as
perceived by members of the company) point towards some
rather thorny problems.   These concern establishing a
basis for legitimacy, dependence on expertise, and the
relationship between the "executive" and those on whose
behalf they act.

These problems are familiar in a political context, but much
less so in this form, in the industrial sphere.   Moreover, in
Industry there is nothing like the large area of private and
social activity that can continue relatively independently of
the political system.   Instead, employee behaviour is far more
closely circumscribed by managerial controls and thus the
issues described are likely to be far more pressing.

Although, to some extent, there may be problems of transition
that will fade in time, there are grounds for believing that
they will remain to haunt the company.   In particular, the
fact that employee influence remains largely invisible means
that there is considerable disillusion and a sense of
powerlessness regarding the existing procedures.   How these
problems can be tackled is not obvious, but there would clearly
be profound implications for the company in any attempt to
confront them.

5   ASSESSMENTS

Any assessments of the development of Common Ownership at
Fairblow obviously depends on the point of view chosen.
Since people are interested in worker ownership for a variety
of reasons, a number of different criteria must be used.
The following list is not exhaustive, but it covers the main
reasons usually advanced and those on which the study has some
bearing.

(i)   Survival;

(ii)   The Founder's Goals;

(iii)   Participation and the Quality of Working Life;

(iv)   Sustaining Managerial Authority;

(v)   Worker's Control/Worker's Self-Management;

(vi)   A Community of Work.

(i)   Survival.

Although the research was not really concerned with the
commercial situation of the company, there is no question that
by this rather basic and limited criterion, Common Ownership
has succeeded.* In financial terms, and in the short to
medium term at least, a company may continue to operate
very successfully after transferring to Common Ownership.

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*   Since reference has been made earlier to minor
    financial restrictions, it is worth mentioning
    that while this report was being written, the
    company paid a record bonus, reflecting an
    extremely prosperous trading period.

(ii)   The Founder's Goals

As had already been pointed out, the founder was concerned
primarily with preserving the character of Fairblow.   He had
built up a successful company marked by informal and harmonious
relations and he did not want to see that spirit destroyed
either by a management preoccupied with profits or by devisive
trade unionism.   Common Ownership was intended simply as a way
of providing protection against takeovers and as a framework for
dealing responsibly with conflicts and problems by making
members responsible to each other and by increasing everyone's
stake in the success of the enterprise.   It was not intended
to be a radical departure aimed at transforming the consciousness
of members and building a new world;   but simply as a sensible
and morally proper arrangement.

From this point of view also, Common Ownership at Fairblow must
be considered, so far, to be a success.   Although there may be
difficult issues still to face, it was argued earlier that an
important impact has indeed been to preserve the character of
the company.

(iii)   Participation and the Quality of
           Working Life

Fairblow clearly provides a number of opportunities for involvement
in company affairs and social activities beyond what is required
of employees to fulfill their job descriptions.   Many of these
pre-existed the introduction of Common Ownership and have no
necessary connection with it.   Nevertheless, they are highly
consonant with the ideals the constitution aimed to embody and
though they do not appear to be of great importance they may
still be a source of some satisfaction for a number of
employees.   In addition, by helping to preserve a friendly
atmosphere, job security and the bonus, Common Ownership
clearly connects with some central employee concerns.
Because these benefits pre-dated the introduction of Common

Ownership they may, to some extent, be taken for granted.
However, the picture is complicated by two considerations.
First, to the extent that expectations have been raised
by the introduction of Common Ownership, it is difficult to
interpret expressions of satisfaction and dissatisfaction.
Hence, although a measure of disillusion is fairly widespread,
its significance in this respect is debatable. Secondly,
on this criteria, the comparatively low satisfaction
expressed towards the intrinsic aspects of work at
Fairblow is significant. Common Ownership has so far
had little positive effect on the employees immediate
work experience, which, it is often argued, must be the
starting point for any significant improvements in the
quality of working life. Fairblow's definite strengths
and equally definite limitations in this regard have been
discussed at some length earlier and there is no need
to repeat the analysis. The point is that for all the
technical and organisational problems involved, this is
arguably an area of fundamental importance that remains
largely unaffected by Common Ownership. Hence, as
regards participation and the quality of working life,
the assessment must be that, so far, Common Ownership's
impact at Fairblow, though unquestionably positive overall,
remains limited.

(iv)   Sustaining Managerial Authority

It is increasingly argued that industrial democracy, and
worker ownership in particular, now provide the only secure
basis for managerial authority. Since the management of
Fairblow has never faced any sustained or generalised challenge
to its authority - nor, indeed, has the company faced
circumstances in which this would be at all likely to occur -
either before or since the introduction of Common
Ownership, it is not really possible to assess Common

Ownership at Fairblow on this criteria.   Hence, some
comments are possible.   First although some managers
were disappointed that Common Ownership had little
impact as a "motivator", this is not really surprising
since it has little direct impact on employees.   Hence,
judged as a form of incentive scheme aiming to tie
individual employee behaviour and performance to specific
management objectives, Common Ownership is largely ineffective.
But this is a very narrow view and the question remains
whether Common Ownership may not reduce opposition to
management in more general terms.   In this respect, it is
significant that Common Ownership at Fairblow may very well
have inhibited unionisation - "You can't negotiate with
yourselves".   But for reasons already presented, it would be
too simple to assume from this that employees are less
organised and less capable of mounting what, in the
circumstances, may be effective resistance.   One can say
that managerial authority is more or less complete at
Fairblow within limits and so long as it is exercised in a
particular way;   but it must remain a matter of opinion
whether this constitutes a net strengthening or a net
weakening of management's position compared with what the
situation might be in the absence of Common Ownership.

(v)   Workers' Control/Workers' Self-Management.

Since it is not very clear what would constitute an
embodiment of these ideals, it is difficult to say whether
any significant progress has been made towards them.   Of
course, if it is taken that workers' control implies and
requires that employees view their relationship with
management in a consistently oppositional framework, then
Common Ownership at Fairblow shows little sign of
succeeding.   But on such an interpretation, workers'
control only looks at all likely in much larger companies.

And even then it is not clear that the differences of
interest between those in managerial and non-managerial
positions will always - or even normally - be the primary
consideration in issues that affect employees.   This is <u>not</u>
to suggest that such differences become insignificant within
a Common Ownership framework; it simply follows from the fact
that a Common Ownership firm pursuing a wider range of objectives
will have more potential divisions regarding those objectives,
some of which are likely to cut across the divisions between
management and employees.

On a less strict interpretation, the difficulty lies in
estimating what constitutes a realistic level of employee
influence, as a yardstick for a company in the social and
economic environment of Fairblow.   Presumably a well
informed and fairly active Supervisory Board would be the
minimum necessary for success under this criteria, so the
failure of the Council to develop in this way would be
disappointing, from this point of view.   But given the
difficulties in developing significant employee influence
at this level, one could reasonably argue that two and a half
years is not a long time and that the important point is that
there are gradual developments towards more effective
employee representation.   Obviously, an assessment must wait
until it is clear whether the changes that have taken place
so far are just the beginning of the development of Common
Ownership or instead nearly all of that process.

(vi)   A "Community of Work".

Not surprisingly, Fairblow shows little sign of becoming
a "Community of Work" [28].   The members do not share a common
religious or ideological conviction, and the company is far
larger than other experiments of this sort.   Nevertheless,
Common Ownership at Fairblow may not be entirely without

interest for those with this perspective: it may be that in due course a "Community" - or communities - will develop within the Fairblow Community as a whole. These would be entirely informal groupings and very much a minority of the company, but their basis would be the shared experience of those members who have worked closely together over a number of years on various committees and organising bodies. Some indication of this possibility was revealed by some scattered remarks about outside-work social contact*. For example, the Chairman of the Consultative Group and the Chairman of the Management Group, lived opposite each other. Even when their respective roles put them at loggerheads, they maintained cordial relationships, and their wives were close friends. Other "activists" from different areas of the company would go to football matches together. And the maintenance department, already referred to as being particularly close knit, helped each other with home improvements and the like, and arranged their own annual evening out with their wives. It is not possible to say whether such contacts are more common at Fairblow than in other similar companies, but even if they are not, it is still possible that their significance may change in the context of shared involvement over a number of years in many other company-related activities associated with the Common Ownership framework.

In conclusion, it should be clear that Common Ownership at Fairblow does not "solve" the problems of industrial democracy as much as throw them into sharp focus. And it highlights not only the organisational difficulties of achieving systems of control responsive to internal

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* In retrospect, it was a mistake not to have investigated this aspect of social contact more thoroughly.

as well as external demands, but also the intimately
related and very basic questions regarding the
purposes of work and what people want from it.   Common
Ownership is not just about how members may best
pursue their wants in a representative structure;   it
also involves members confronting the issue of what it
is they really want.   In day-to-day terms, such
questions may very well be a costly luxury, or simply
a nuisance.   And, of course, the choices involved
will never be "unbiased";   any social context loads
our choices towards the given.   But Common Ownership
means that, for better or worse, issues such as these
will always be on the company's "agenda".   However
often they are passed over or ignored, they can never
be rules out of order if a group of members is determined
to raise them.

APPENDIX   :   STATISTICAL PROCEDURES ADDITIONAL
                   SURVEY DATA AND CONCLUSIONS

INTRODUCTION

The survey was conducted from 14th-30th January, 1976,
by a total of five members of the Open University Systems
Group: Mr. R.C.F. Paton, Mr. M. Lockett, Mr. B.
Drozdowskij, Mr. E. Taylor and Mr. R. Williams.   All
interviews took place in company time.   It was
stressed that participation in the survey was entirely
voluntary; that all replies were in confidence; that the
results would be available to all Fairblow employees through
the report to the Fairblow Community; and that no individual
would be identifiable in the published results.   Out of a
sample (see below) of 85, six people did not wish to take
part - a response rate of 93%.   Interviews took from twenty
to forty-five minutes to complete.

METHODOLOGY

(a)   The Sample

The sample of 85 was 50% of Fairblow's workforce, excluding
senior managers and directors.   The sample selection was
random - taking every other name off an approximately
alphabetical staff list.   The one conceivable systematic
error in this process would be an under-sampling of employees
related to each other.   In view of the small number of
related people in the company (a total of two related pairs),
this was assumed to be a negligible factor.

(b)   The Questionnaire

The questionnaire consisted of seven sections:

(i)   Background data;

(ii)   Employment History;

(iii)   Company Participation;

(iv)   Social Participation;

(v)   Job Satisfaction;

(vi)   Job Participation;

(vii)   Attitudes.

(i)   Background data: This consisted of the respondent's

            name (which was replaced by a code number in all

            further analysis), age, years of service, job title

            and "job classification".   All these were obtained

            from company records.

(ii)   Employment history: Respondents were asked about

            previous job(s), reasons for leaving, trade union

            membership and involvement in union affairs.

(iii)   Company Participation: This consisted of questions

            on attitudes to Common Ownership, as well as the

            respondent's involvement in and knowledge of the

            Common Ownership structure at Fairblow.

(iv)   Social Participation: Respondents were asked about

            their involvement in the company's Sport and Social

            Club, as well as other social activity within the

            company.

(v)   Job Satisfaction: Respondents were asked to rate
their overall job satisfaction and their satisfaction
with nineteen aspects of their job.   These were
identical to the 1974 "Quality of Life" Survey,
except that a twentieth aspect ("the actual work
itself") was dropped from the survey as it appeared
to be correlated very highly to overall job
satisfaction, rather than being a separate "job
aspect".   If there were other aspects the
respondent felt were important they were invited to
state their level of satisfaction. An eleven point
$(0 \rightarrow 10)$ scale, ranging from "dissatisfied" to
"satisfied" was used for the job satisfaction items.

Respondents were then asked to rate the importance of
these nineteen job aspects to their job satisfaction, on
a similar elevent point scale from "unimportant" to
"important"; and also which three of these job aspects,
if any were most benefited and which three, if any,
most damaged by the company being "commonly owned".

The importance of job aspects to satisfaction was a
development of the methods used in the "Quality of
Life" survey, where respondents were only asked which
three job aspects were most important.   This was
planned in consultation with Ms. C. Marsh, then of
the SSRC Survey Unit.

(vi)   Job Participation: Respondents were asked how much
autonomy they felt there was in their jobs;   the
predictability of the job;   how often they would sort
problems, ideas, or questions, about their work
themselves or with the people they worked with;   how
often they would take such problems, ideas or
questions to their supervisor;   and what happened
when problems, ideas or questions were taken to
their supervisor.

(vii)   Attitudes: Finally, respondents were asked how much
they agreed or disagreed with nine statements about
the company, and relations within it, using a five
point scale.   They were then asked how much they
agreed or disagreed with the same nine statements
for their previous job, if any.

A copy of the questionnaire is given at the end of the Appendix.

(c)   Behaviourial Indicators

These were largely obtained from various company records and
documents.   They comprised items relating to participation,
e.g. the suggestions scheme, dinner/dance attendance, etc., as
described in the appropriate sections of Part I.

(d)   Comparison with other Surveys

Some of the results would be most useful in the context of a
comparison with other people in non-common ownership enterprises.
It was hoped that other local manufacturing firms would co-operate
in allowing access for a shorter questionnaire on job satisfaction
and attitudes amongst some of their employees.   In the event,
it proved impossible to gain access to enough fairly similar
companies to make this worth while (it was held that a
comparison with employees in just one other company would be
of very little value).

However, some of the Fairblow results, those on job satisfaction,
can be compared with the "Quality of Life" Survey. [29]   Such a
comparison must be approached with great caution as:

(i)   The "Quality of Life" fieldwork was conducted
about two years before the research at Fairblow
in a somewhat different economic climate;

(ii)   Interviews were done away from work at
respondents' homes;

(iii)   The sample is scattered geographically, as well
         as between different industries.   The sample
         size for the "Quality of Life" was just under
         six hundred.

SURVEY RESULTS

(a)   The Fairblow Workforce

This section gives background information on the structure of
the sample,* examining such variables as age, sex, type of
job and union membership.

Nearly all the sample (79 out of 85) were full-time; of the
6 part-timers, 3 worked over thirty hours and 3 under thirty
hours a week.   The age range of the sample was from 17 to 73
years, with a mean of 39 (see Table 12). Length of service
varied from under 1 year to 17 years, with a mean of just
under 5 years (see Table 13).   60 (71%) of the sample were
male and 25 (29%) female.

TABLE   12   AGE OF SAMPLE **

Age (yrs)	under 20	20-29	30-39	40-49	50-59	60 & over	Total
Male	3	14	13	8	12	10	60 (.71%)
Female	3	12	3	2	5	0	25 (29%)
Total	6 (7%)	26 (31%)	16 (19%)	10 (12%)	17 (20%)	10 (12%)	n = 85

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*   For the purpose of this analysis, all statistics quoted are
    based on the 50% random sample used in the Survey, rather than
    the whole workforce.   Checks made on the sample indicate
    that there is no obvious systematic distortion in the sample.

**   In all tables, percentage figures are rounded to the nearest
    integer.   Hence, totals of percentage figures may not
    equal 100% as a result of rounding errors.

TABLE 13   LENGTH OF SERVICE

Length of Service (yrs)	Under 2	2-5	6-10	11-15	over 15	Total
Male	15	16	19	8	2	60 (71%)
Female	11	12	1	1	0	25 (29%)
Total	26 (31%)	28 (33%)	20 (24%)	9 (11%)	2 (2%)	n = 85

Age was correlated with length of service to a fairly high degree (Kendall's τ = + 0.34)

From Tables 12 and 13 it can be seen that the women employees tend to be younger than the men, and to have been in the company for considerably less time. For example, only 8% of women, as opposed to 48% of men, had been at Fairblow for over five years.

Male production manual employees were comparatively old - 19 out of a total of 34 in the sample were over 50. In fact, the average age of this group was almost 50 years.

Women were most concentrated in the 'junior non-manual jobs' (11 of the 12 people in this category were women). Other categories of job were overwhelmingly done by men, in particular 'skilled manual' jobs. Only one woman was in this category as opposed to 12 men.

Length of service varied considerably with current job classification. Supervisory (manual) employees had been longest with the company (mean = 10 years, n = 5) and had all

come from skilled or semi-skilled shop floor jobs. At the other exteme, junior non-manual employees had been with the company for an average of just under two years, having come either from similar jobs or from un/semi-skilled manual jobs except for one who had not had any previous employment. Other manual employees had mean length of service close to the sample average. Most had come from similar jobs to those they were doing now in terms of skill level. The intermediate non-manual employees again had a mean length of service near to the sample average. Fifteen of the twenty-six in this category had previously been in similar jobs; three in junior non-manual jobs; seven in skilled or semi-skilled manual work; and one in voluntary work.

Most of the sample had come from industrial employers (forty-eight out of seventy-eight = 62% of those who replied to the question about their previous employer for a period of six months or more). Twelve (15%) had not been employed previously for six months or more; two (3%) had been self-employed; 2(3%) had been employed in the public sector; six (8%) from non-industrial private ˙ sector employees; and eight (10%) from private employers that could not be positively identified as industrial or non-industrial.

Reasons given for leaving previous jobs are given in Table

TABLE 14   REASONS FOR LEAVING PREVIOUS JOB

Reason	Number	
Redundancy	16 (19%)	
Pay*	10 (12%)	* = 5 people gave 'pay' and conditions as reasons for leaving previous job. These are included in both categories, giving an apparent response rate of over 100%
Conditions*	11 (13%)	
Work itself	10 (12%)	
Other	23 (27%)	
Unknown/not applicable	20 (24%)	
Total	n = 85	

One other factor relating to current and previous employments
was examined - trade union membership and involvement.   The
results are in Table 14

TABLE   14   UNION   MEMBERSHIP

Category	Number
Union member now	3 (4%)
Was union member in a previous employment	32 (38%)
Never union member	42 (49%)
Unknown/not available	8 (9%)
Total	n = 85

8 (9%) of the sample had been shop stewards or held other
official posts in a trade union, and a further 1 (1%) had
stood for election to such a position.

Of the 32 people who had been union members in a previous
employment, 6 said they had left the union because they were
leaving a closed shop, 10 "on coming to Fairblow" and 16 for
other reasons.

The picture given is of a workforce with a low degree of
unionisation, but with almost half (35) having expereince of
trade union membership, 9 of whom had stood for, or
been elected to, a post in the union.   Lack of contact with
trade unionism does not seem to be the reason for the low
level of unionisation.

(b)   Company Participation

Items and responses concerning respondents' knowledge of the
constitution and involvement in company affairs were
presented in Part I Section 7.   These items were weighted
and then combined to form an index of company participation
according to the following criteria.

(i)   A greater weight was given to more active
         forms of participation (i.e. Committee
         membership)

(ii)   A somewhat greater weight was given to
         current, as opposed to past, participation.

(c)   Social Participation

The items and responses were presented in Part I Section 8
above.   They were combined according to criteria similar to
those used in the index of company participation.

(d)   Job Satisfaction

A summary of the results from the items on satisfaction with,
and importance of, various aspects of work is given in
Table 16 .   From this, it can be seen that satisfaction at
Fairblow was highest with

Supervisor relations	(5)
Friendly and helpful people to work with	(8)
Holidays	(11)
Hours	(13)
Reputation of the company	(16)

At the other end of the scale, satisfaction with

Promotion Prospects   (2)

appeared lowest, then

Management Ability and efficiency   (18)
Participating in Management   (14)
Physical Surroundings   (4)

If we put the two satisfaction items relating to Common
Ownership (see section above), satisfaction with "the way
Common Ownership works in Fairblow", rating would be amongst
the lowest, whereas overall satisfaction with "Fairblow being
a Common Ownership" would be around the middle of the items.

When compared with the SSRC Survey (n = 587) satisfaction at
Fairblow was significantly higher only with the pension
scheme (12), at 2.5% level.   It was significantly lower with

Promotion Prospects   (2)   at 10% level
Job Security   (6)   at 0.1% level,
"Being able to do the things you do best" (7)   at 0.5%level
Using One's own Initiative   (15)   at 0.5% level
Safety Precautions   (17)   at 0.5% level
Management Ability   (18) at 0.1% level
Provision of Adequate Equipment and   (19)   at 2.5% level
    Materials

The mean score of women (8.5) was higher than that of men (7.7)
for overall job satisfaction.   This was significant (using a
one-tail Mann-Whitney U-Test) at a 15% level.   The overall job
satisfaction score tended to be lower for higher level employees.
For example, the mean score for intermediate non-manual
employees 6.9 (n = 25);   for junior non-manual 8.7 (n = 12);
for supervisory and skilled manual 7.9 (n = 5 and n = 13
respectively) and for semi-unskilled manual 8.6 (n = 24).
The major difference here appears to be related more to the

TABLE 16

JOB ASPECTS	FAIRBLOW		SSRC	FAIRBLOW DIFFERENCE AND SIGNIFICANCE LEVEL *	
	MEAN IMPORTANCE	MEAN SATISFACTION	MEAN SATISFACTION		
1. Travel to/from work	7.6	8.0	8.1	-	
2. Promotion prospects	6.1	5.7	5.6	Lower	(10%)
3. Pay (total)	8.4	7.2	7.0	-	
4. Physical surroundings	7.5	6.8	7.3	-	
5. Relations with Supervisor	8.8	8.6	8.3	-	
6. Job Security	8.6	7.6	8.2	Lower	(0.1%)
7. Being able to do things done best	8.6	7.3	8.0	Lower	(0.5%)
8. Friendly people to work with	8.5	8.5	8.5	-	
9. Public respect	7.1	7.3	7.5	-	
10. Time to do work	7.7	7.9	8.0	-	
11. Holidays	7.9	8.5	8.3	-	
12. Pension scheme	7.1	7.6	6.2	Higher	(2.5%)
13. Hours	7.6	8.7	8.1	-	
14. Participating in Management	6.5	6.5	6.1	-	
15. Using own Initiative	8.5	8.0	8.3	Lower	(0.5%)
16. Firms Reputation	7.8	8.3	8.4	-	
17. Safety Precautions	8.5	7.6	8.0	Lower	(0.5%)
18. Management Ability	8.5	6.5	7.7	Lower	(0.1%)
19. Adequate Equipment	8.6	7.2	8.0	Lower	(25%)
20 Overall Job	N/A	7.9	8.3	Lower	(10%)

* Only if difference significant at 10% level is this stated. Kolmogrov-Smirnov two-tailed test used. This is a test of the difference between the cumulative frequencies of the sets of data, and "is sensitive to any kind of difference in the distributions from which the two samples were drawn" [30]

nature of the work (whether un/semi-skilled or not) than
to whether it is manual or non-manual, though when divided
into non-manual (mean 7.5, n = 27) and manual (mean 8.3
n = 42), the former are less satisfied.

In the SSRC sample, women (mean 8.6) were also more
satisfied than men (mean 8.0) with their job overall.
However, in the SSRC sample, mean scores for manual and
non-manual employees were identical (8.3)

The most important aspects, according to our sample, were:

> Relations with Supervisors;
>
> Job Security;
>
> "Being able to do the things you do best";
>
> Adequate Equipment and Materials;
>
> Friendly and helpful people to work with;
>
> Using one's own initiative;
>
> Safety Precautions;
>
> Management Ability;
>
> Total Pay;

The least important were promotion prospects, participating in
management, public respect for the sort of work done and the
pension scheme.

Compared with the Quality of Life*, the major differences in
importance appear to be that convenience of travel, hours and
promotion prospects were seen as more important than they were
in Fairblow.

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* Comparison cannot easily be made in a statistical way,
as the SSRC sample were asked which three aspects were
most important, rather than being asked to rate each one
on a 0 to 10 scale.

It is possible to group the various importance ratings in ways which make sense theoretically. For example, the various aspects relating to the immediate job viz.,

Physical surroundings	(4)
Relations with Supervisor	(5)
Friendly and Helpful People to work with	(8)
Time given to do the work	(10)
Safety Precautions	(17)
Provision of Adequate Equipment and Materials	(19)

And the aspects relating to conditions within the firm of a more general nature, viz.,

Job Security	(6)
Holidays	(11)
Pensions	(12)
Hours	(13)

And those aspects relating to 'self-actualisation'

"Being Able to do the things you do Best"	(7)
Public Respect for the sort of Work Done	(9)
Participating in Management	(14)
Using your own initiative	(15)

Each of these groupings disply high intercorrelations when compared with the overall matrix. As a rough check, for which statistical validity is doubtful, for the first of these, the following calculation may be useful. In the correlation matrix of all 19 elements about half the correlations were of 0.25 or more (Pearson's r). In the

first case of aspects 4, 5, 8, 10, 17, 19, out of the 15
intercorrelations, 14 were of r 0.25.   If the fact that
we are looking at a matrix rather than any set of 15
correlations does not affect the result significantly, the
probability of 14 out of 15 being r 0.25 (or a more
extreme result, i.e. 15 out of 15) would be about 1 in
2,000.

Since the measures of perceived importance relate to each
other in predictable ways, one can have that much more
confidence in their value as indicators of how important
people feel the different aspects to be.   In addition,
the relationship of these items to the satisfaction scores
provides a further crude check: if these scores have some
basis in reality one would expect the satisfaction and
importance of the different items to be relatively
independent.   "Relatively" because one might expect
people to remain in a job where they are satisfied with
things they feel are important, and vice-versa.   The
correlations between the various satisfaction and importance
ratings vary between zero (17) - safety precautions -
to + 0.62 (5) relations with supervisor or manager.   These
results indicate that our assumption of relative independence
is not refuted, though there are some fairly high correlations
between satisfaction and importance on some items.

Given that the data appears fairly sound, the failure to
obtain comparable data from similar firms in the locality
is regrettable.   Without such a basis of comparison, it is
not possible to take the analysis much further - though it
still seems likely that the data will be of value in
comparison with other Common Ownership firms as the research
project proceeds.

(a)   Job Participation

The items on autonomy and predictability of respondents work were presented as indicated below.   The results of these and other items are given in Part I   Section 9.

(i)   How much autonomy is there in your job?
          that is, to what extent does your job permit you
          to decide on your own how to go about doing the
          work.

```
1         2         3         4         5         6         7
L_____L_____L_____L_____L_____L_____J
```

Very little; the job gives me almost no personal "say" about how and when the work is done	Moderate; many things are not under my control but I can make some decisions about the work	Very much; the job gives me almost complete responsibility for deicding how and when the work is done

(ii)   How predictable would you say your job was?

```
1    .    2         3         4         5         6         7
L_____L_____i_____L_____L_____L_____J
```

Its always exactly the same	From time to time there are problems of one sort or another to deal with	I never know what's going to come up next

(f)   Attitudes

The responses to the items concerning attitudes to management and management-worker relations at Fairblow were given in Section 7 of Part I.   The same format (a statement, with the response chosen from a 5 point scale from strongly disagree to strongly agree) was used applying to respondents' previous employment.   Thus, the name of the previous employer was first ascertained and this was substituted in the statement and tenses changed accordingly.   To examine the changes in attitudes, we must compare only those people who replied in both cases - about sixty of the sample.   This is done overleaf in Table 17.

TABLE 17 CHANGES IN ATTITUDES

Kay to tables: SD = "strongly disagree", D = "disagree", H = "half and half", A = "agree", SA = "Strongly agree", T = "total".

1. Management keeps employees in the dark quite unnecessarily; there should be far more information about company matters

	PREVIOUS EMPLOYMENT					
	SD	D	H	A	SA	T
SD	–	–	–	–	1	1
D	2	–	–	2	7	11
H	2	3	2	8	10	25
A	–	2	3	3	6	14
SA	–	1	–	–	5	6
T	4	6	5	13	29	n=57

(F A I R B L O W)

2. It is right management should take all the major decisions about the firm

	PREVIOUS EMPLOYMENT					
	SD	D	H	A	SA	T
SD	3	–	2	1	1	7
D	2	1	2	2	–	7
H	1	2	3	7	4	17
A	–	4	4	10	2	20
SA	–	1	2	5	2	10
T	6	8	13	25	9	n=61

(F A I R B L O W)

3. The employees have no more say in the firm's affairs than employees in most business

	PREVIOUS EMPLOYMENT					
	SD	D	H	A	SA	T
SD	–	–	–	2	4	6
D	–	1	3	9	10	23
H	1	1	2	7	5	16
A	–	1	1	4	5	11
SA	1	–	–	–	3	4
T	2	3	6	22	27	n=60

(F A I R B L O W)

4. Most managers will give you a fair hearing - if they can't help you it's because there's a good reason.

	PREVIOUS EMPLOYMENT					
	SD	D	H	A	SA	T
SD	–	–	–	1	1	2
D	–	–	1	3	–	4
H	2	1	1	2	–	6
A	3	3	12	12	3	33
SA	3	2	2	2	5	14
T	8	6	16	20	9	n=59

(F A I R B L O W)

5. Giving employees more of a
say would make things better

PREVIOUS EMPLOYMENT

F A I R B L O W		SD	D	H	A	SA	T
	SD	1	–	–	1	–	2
	D	2	2	3	7	2	16
	H	2	7	–	4	1	14
	A	–	4	8	6	4	22
	SA	1	1	–	1	4	7
	T	6	14	11	19	11	n=61

6. Managers have the welfare of
the employees at heart

PREVIOUS EMPLOYMENT

F A I R B L O W		SD	D	H	A	SA	T
	SD	1	1	–	–	1	3
	D	3	2	1	1	1	8
	H	4	5	8	2	–	19
	A	4	4	10	4	1	23
	SA	3	1	1	–	1	6
	T	15	13	20	7	4	n=59

7. Decisions can be made much
more democratically without
really harming the company

PREVIOUS EMPLOYMENT

F A I R B L O W		SD	D	H	A	SA	T
	SD	–	1	–	2	–	3
	D	–	1	1	8	–	10
	H	1	3	10	4	3	21
	A	–	2	3	14	2	21
	SA	1	–	–	–	3	4
	T	2	7	14	28	8	n=59

8. It seems as though in the future
employees could have more and
more control over the way the
firm is run.

PREVIOUS EMPLOYMENT

F A I R B L O W		SD	D	H	A	SA	T
	SD	1	–	–	–	–	1
	D	6	3	2	1	–	12
	H	7	6	5	2	1	21
	A	1	7	2	10	2	22
	SA	1	–	–	–	2	3
	T	16	16	9	13	5	n=59

9. Workers need trade unions
to look after their own
interests (in the firm)

PREVIOUS EMPLOYMENT

F A I R B L O W		SD	D	H	A	SA	T
	SD	9	1	3	9	5	27
	D	1	3	5	8	3	20
	H	–	1	1	2	4	8
	A	–	1	–	1	–	2
	SA	–	–	1	–	3	4
	T	10	6	10	20	15	n=61

Using Wilcoxon matched-pairs signed-rank test, the null
hypothesis that the views expressed in the two cases are
from the same distribution, can be rejected at the following
levels (2 tail tests) for the various statements.

1.   0.2% significance level

2   Not significant at 20% level

3.   0.1% significance level

4.   1% significance level

5.   Not significant at 20% level

6.   0.1% significance level

7.   0.5% significance level

8.   0.1% significance level

9.   0.1% significance level

From these, we can conclude that there are significant
differences (at least the 1% level) in the expressed attitudes
attitudes towards Fairblow, as opposed to respondents'
previous employment, in all but two of the nine
statements.

In each case these items, excluding number 8, which was not
well correlated with the others, were used to form indices
of attitudes to management.   However, one can raise serious
questions about what is being measured and possible response
effects, regarding the index of attitudes to previous
management.   Since such a measure has not been used before
in social research, it cannot be "checked" in the same way
as the other measures, prior to its use with the variables
of interest.   In this case, therefore, one can only
consider its associations with these other variables,
judging them more or less plausible in the light of the
rationale for the measurement.   This rationale is as
follows:

Firstly, the measure is of <u>current</u> attitudes towards the
management of respondent's previous employer.   It is
certainly <u>not</u> intended as a measure of employees earlier
attitudes to management while they were still in their
previous employments.   As such, the current attitudes
will certainly be affected by the experience of Fairblow -
and this is important if it is to work at all.   If, then,
the index does capture employees' views of their previous
management, in the light of working at Fairblow, it will
allow greater meaning to be given to the expressed attitudes
to management at Fairblow.   By cross-tabulating with the
index of attitudes towards the management of Fairblow one
can distinguish between, for example, those who regard
positively both Fairblows and their previous management on
the one hand, and those who regarded positively Fairblows
management but not that of their previous employment.   This
is done in creating the variable "Comparative Attitude"
(see Part II Section 4) which certainly appears to
discriminate usefully among employees.

However, the index of attitudes to previous management is
also used on its own, possibly with less justification,
as giving some indication of employees previous work
experience.   The problem in doing so arises from possible
response effects that can be allowed for or ignored when
the index is used in conjunction with the index of attitudes
towards Fairblows management.   Briefly, there are two sorts
of possible response effect: the first would arise from a
desire to justify one's change of employer by downrating
the previous management.   This is a quite definite
possibility.   It was allowed for in creating the Comparative
Attitude variable by only classifying respondents as
"Discriminating Supporters" when their score on the

Fairblow management attitude index was at least 6 points
higher than on the previous management attitude index. In
other words, a more positive attitude towards Fairblows
management was attributed to response effect unless the
difference was really quite substantial.

The other possible response effect arises from the fact that
it must have been obvious to the sample that their responses
to the items on their previous employment would be compared
with their responses to the equivalent items for Fairblow.
Hence, the previous employment items would have been used
to reinforce by comparison, views the respondents had
expressed about Fairblow. But, arguably, even if this
response effect is massive it can be ignored as regards
"Comparative Attitude": such responses would still
indicate important differences in attitudes to Fairblow
even if they said little about previous employment. The
problem would then be that such differences would themselves
require an explanation - instead of providing a possible
explanation of other factors.

However, when it comes to using the previous management
attitude index on its own, the position regarding these
response effects is reversed: the first, barring a very
uneven distribution, can be fairly safely ignored (since
the overall relationship of the index to other variables
is unlikely to be much affected by some or many of the
scores being lower than they "really" should be). But
the second effect, if strong, would make any interpretation
of the index very difficult. These points should be borne
in mind in interpreting the relationship of the previous
management attitude index to company participation and
other variables, as discussed in Part II.

Having discussed these possible weaknesses in the index, it
should be pointed out that there is nothing in the way it
actually relates to other variables to seriously undermine
the most obvious and straightforward interpretation - that
the index reflects, albeit roughly, employees previous
employment experience considered in the light of working
at Fairblow.

Q U E S T I O N N A I R E

For Use At: Fairblow Dynamics Ltd.

By: The Systems Group,
                The Open University,
                Milton Keynes.

January, 1976.

INTERVIEWER   :

DATE   :

TIME STARTED   :

INTRODUCTION   I am going to ask you a number of questions about
        your job, about Fairblow and about your opinions
        on a number of different matters.   Remember that
        I simply want your own opinion - there are no
        right or wrong answers.   And your replies are
        entirely confidential - so long as it is your opinion
        we don't mind what you say, and no-one else will
        see the questionnaire.

        Some of the questions may appear rather drawn out
        but we can rattle through them quite quickly.

        And I would like to thank you in advance for your
        co-operation - it means a lot to us and is an
        important part of our project here.

SECTION I

Background   1.   Name:
Data
             2.   Age:

             3.   Years with Company:

             4.   Job Title:

             5.   Job Classification:

                   1   Intermediate,   Non-manual

                   2   Junior   Non-manual

                   3   Foreman & Supervisor,   Manual

                   4   Skilled   Manual

                   5   Semi-Skilled   Manual

                   6   Unskilled   Manual

SECTION II

Employment   1.   What was the last job you had before you
History   came to Fairblow?

                    Job Title:

                    (If 'NONE' move to question 5).

              2.   (If necessary) What sort of job was that
                    (probe as appropriate - i.e. was skilled
                    or semi-skilled)?

                    Job Classification:

                    1   Intermediate   Non-manual

                    2   Junior   Non-manual

                    3   Foreman & Supervisor   Manual

                    4   Skilled   Manual

                    5   Semi-Skilled   Manual

                    6   Unskilled   Manual

3. Why did you leave your previous job?

    1. Redundancy

    2 Pay

    3 Conditions

    4 Work itself

    9 Other (specify)

    99 DK/NA/ref

    Other: ....

4. What were the main jobs you had before that, say, for a year or more?

    Brief Job Description: ....

    ....

    ....

    Brief Job Description: ....

    ....

    ....

    Brief Job Description: ....

    ....

    ....

5. Are you a member of a Trade Union?
    (if 'YES' move to question 8)

    1 Yes

    2 No

    99 DK/NA

6   Have you ever been a member of a Trade Union?

(if 'NO' move to SECTION III)

    1   Yes

    2   No

    99   DK/MA

7   When did you stop being a member of a Trade Union?

(probe as necessary re closed shop)

    1   On leaving closed shop job

    2   On coming to Fairblow

    3   Other

    99   DK/NA

8   Were you ever a shop steward, or have any other post in the Union?

    1   Yes

    2   No

    99   DK/NA

9   Did you ever stand for election as a shop steward or any other post in the Union?

    1   Yes

    2   No

    99   DK/NA

SECTION III

General
Participation

Now I would like to ask you some questions about the Fairblow Community and the Consultative Group.

1   Does the fact that Fairblow: is a Common Ownership firm hold any true value or interest to you?

   1   Yes

   2   Very Little

   3   No

  99   DK/REF

*

F.I.B.

2   Consultative Group Representative

(if 'YES' move to question 10)

   1   Yes

   2   No

  99   NA

3   Have you ever been a Consultative Group Representative?

   1   Yes

   2   No

  99   DK/NA

4   Who is your Consultative Group representative:

Name: ....

   1   Correct

   2   Incorrect

   3   Don't Know

  99   NA

9   How often do you read the minutes
of the Consultative Group or
Community Council meetings?

    0   Rarely/Never

    1   Occasionally

    2   Quite often

    99   DK/NA

10   Did you attend the Special General
Meeting of the Fairblow Community in
October

    1   Yes

    2   No

    99   DK/NA

11   Do you think you will attend any
General Meetings of the Fairblow
Community in the future?

    0   No

    1   Maybe

    2   Yes

    99   DK/NA

SHOW
CARD A   12   Now some questions on Common Ownership.
I'd like you to tell me which number
on the scale comes closest to how much
you approve or disapprove of the _idea_
of Common Ownership?

    Number

    99   DK

5   How often have you gone to a
Consultative Group member
with a problem or issue in the
last year?

    0   Never

    1   Once

    2   Twice

    3   Three times or more

    99   DK/NA

*

F.I.B.

6   Community Council Member?

       (If 'YES' move to question 12)

    1   Yes

    2   No

7   Have you ever been a member of the
Community Council?

    1   Yes

    2   No

    99   DK/NA

8   How often do you discuss things with
a Consultative Group Representative
or a Council Member?

    0   Rarely/Never

    1   Occasionally

    2   Quite Often

    99   DK/NA

13   And which number on this scale comes
closest to how much are you satisfied
or dissatisfied with the way Common
Ownership works in Fairblow at the
moment?

Number

99   DK/BLANK

14   And all things considered, how
satisfied or dissatisfied are you
overall with Fairblow being
Common Ownership?

Number

99   DK/BLANK

15   And which number on the scale comes
closest to how important or
unimportant Common Ownership is in
determining how satisfied or
dissatisfied you are with your
job?

Number

99   DK/REF/BLANK

16   Are you a member of the Fairblow
Community?

1   Yes

2   No

3   DK 'NA

99   BLANK/REF

SECTION   IV

Social   Now I would like to ask you some questions
Participation   about the Sports and Social Club.

*   1.   Member of Sports and Social Club
F.I.B.   (If 'NO' move to question 3)

                       1   Yes

                       2   No

                  2.   What sorts of activities do you use the
                       Sports and Social Club for?

                       1   Darts

                       2   Table Tennis

                       3   Outings

                       4   Discos

                       5   Cricket

                       6   Band

                       7   Other (specify)

                       9   Non in particular

                       99   DK/BLANK/NA

                       Other:

*   3   Sports and Social Club Committee
F.I.B.   (If 'YES' move to question 5)

                       1   Yes

                       2   No

4   Have you ever been a member of the
Sports and Social Club Committee?

    1   Yes

    2   No

    99   DK/NA

5   Have you ever helped organise a
collection for another member of the
Company (on their marriage, say, or
retirement)?

    1   Yes

    2   No

    99   DK/REF

6   Do you think you will attend the next
annual Dinner-Dance?

    1   Yes

    2   Maybe

    3   No

    99   DK/REF

SECTION V

SHOW
CARD Y   1.   Firstly, how much automony is there in
your job? That is, to which extent does
your job permit you to decide <u>on your own</u>
how to go about doing the work

SCORE

DK/REF/BLANK

SHOW   2.   How predictable would you say your job is?
CARD Z

3.   When there are problems in your work, or you
have questions or ideas about it, how often do
you sort things out <u>yourself</u> or <u>with the
people you work with</u>?

1.   Almost Never

2.   Now and Then

3.   Quite Often

9   DK/NA/RED

4.   And how often would you take such problems,
questions, or ideas, to your supervisor?

1.   Now and Then

2.   Quite Often

3   Always

9   DK/NA/REF

5.   And now I'd like to know what happens when
you take problems or questions to your supervisor.
I'm going to read you some statements about what
<u>might</u> happen and I'd like you to tell me whether
that happens <u>usually</u>, <u>sometimes</u>, or <u>never</u>:

A He shows you the best way of handling it -

1   Never

2   Sometimes

3   Usually

4   DK/REF

B He explains why it has to be that way -

1   Never

2   Sometimes

3   Usually

4   DK/REF

C He takes the matter up with other people -

1   Never

2   Sometimes

3   Usually

4   DK/REF

D You work something out between you -

1   Never

2   Sometimes

3   Usually

4   DK/REF

E Nothing happens -

1   Never

2   Sometimes

3   Usually

4   DK/REF

SECTION VI

Job
Satisfaction

1. Now I am going to read you a list of
    various aspects of jobs. As I read
    each one, could you tell me which
    number on the scale comes closest to
    how satisfied or dissatisfied you are
    with that aspect of your job?

                                        Score   DK/REF

    A   Convenience of travel
            to and from work

    B   Promotion prospects

    C   The total pay, including
            any overtime and
            bonuses.

    D   The physical
            surroundings

    E   Relations with your
            supervisor or
            manager

    F   The job security

    G   Being able to do the
            thing you do best

    H   Friendly and helpful
            people to work with

    I   Public respect of the
            sort of work you do

    J   The time you are given to
            do the work

    K   The holiday arrangements

    L   The pension scheme in
            your firm

    M   The hours you work

    N   Participating in
            management

    O   Using your own
            initiative

    P   The reputation of your
            firm

                                        Score   DK/REF

    Q   Safety precautions,
            controls on health
            hazards

    R   Ability and
            efficiency of
            management

    S   Provision of adequate
            equipment and
            materials for your
            job

2.   Are there any other aspects of your
      job that I have not mentioned, and
      that you think are important?

      (If 'NO' move to question 3)

      1   Yes

      2   No

      All right, how satisfied or
      dissatisfied are you with

      .. ..

      ....

      (create item from previous response
      and write in space above)

SHOW   3   Now I am going to read the list again;
CARD C   this time I would like you to tell me
           which number on the scale comes closest
           to how important or unimportant that
           aspect of your job is in determining
           how satisfied or dissatisfied you are
           with your job

                                        Score   DK/REF

    A   Convenience of travel
            to and from work

    B   Promotion prospects

    C   The total pay, including
            any overtime and
            bonuses

D   The physical
     surroundings

E   Relations with your
     supervisor or
     manager

F   The job security

G   Being able to do the
     thing you do best

H   Friendly and helpful
     people to work with

I   Public respect of the
     sort of work you do

J   The time you are given to
     do the work

K   The holiday arrangements

L   The pension scheme in
     your firm

M   The hours you work

N   Participating in
     management

O   Using your own
     initiative

P   The reputation of your
     firm

Q   Sfety precautions,
     controls on health
     hazards

R   Ability and
     efficiency of
     management

S   Provision of adequate
     equipment and
     materials for your
     job

T   See question 2 above

4. Which three aspects of your job do you think are most benefited, if any, by the Company being Commonly Owned?

0

1

2

3

DK/REF

5. Which three aspects of your job do you think are most damaged, if any, by the Company being Commonly Owned?

0

1

2

3

DK/REF

6. All things considered, how satisfied or dissatisfied are you overall with your job?

Score

DK/REF

SECTION VII

Attitudes

1.   Now I'm going to read you some statements about
employees and management   .   I'd like you to
tell me which number on the card comes closest to
how much you agree or disagree with each one in turn.

Score   DK/Blank

A. Management .   · keep employees in the dark
quite unnecessarily;   there should be far more
information about Company matters.

B.   It is right that management should take all
the major decisions about .

C. The employees at   -y have no more say
in the firm's affairs than employees in most businesses.

D. Most managers at   . will give you a fair hear-
ing - if they can't help you its because there's a
good reason.

E. Giving employees   - more of a say
would make things better.

F. Managers   .   have the welfare of the
employees at heart.

G. Decisions .   could be made much more
democratically than they are now without really
harming the Company.

H. It seems as though in the future employees
          could have more and more control over
the way the firm is run.

I. Employees need Trade Unions to look after their
own interests

2.   What was the name of the last Company you worked for,
for six months or more, before coming

NAME _____

NONE

DK/REF/BLANK

Now I'm going to read you the statements again,
but this time dealing with _____
as you remember it, and again I'd like you to
tell me how much you agree or disagree with
each one.   Score   DK/Blank

A. Management at _____ kept employees
in the dark quite unnecessarily; there should have
been far more information about Company matters.

B. It was right that management should take
all the major decisions about _____

C. The employees at _____ had
no more say in the firm's affairs than employees in
most businesses.

D. Most managers at _____ would give
you a fair hearing - if they couldn't help you
it was because there was a good reason.

E. Giving employees at _____ more of
a say would have made things better.

F. Managers at _____ had the
welfare of the employees at heart.

G. Decisions in _____ could have
been made much more democratically than they were with-
out really harming the Company.

H. It seems as though in the future employees at
_____ could have had more and
more control over the way the firm was run.

I. Employees needed Trade Unions to look after their
own interests at _____.

Time Completed: _____

That's all; thank you very much indeed for lyour help.

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