

Worker Participation & Employee Involvement - A Comparative Study

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Introduction

Traditionally, worker participation systems in most countries have been promoted by labour movements. This was done for both ideological and practical reasons. Worker participation, or industrial democracy, has been conceived as a means of democratising workplaces as well as of realising both intrinsic and extrinsic work values.

On the other hand, survey data confirms that European managers are also espousing forms of employee involvement and introducing them at their workplaces (e.g., EPOC, 1990). Do these developments imply that the process of democratisation is spilling over from the political arena to the workplace?

Clearly, such a conclusion would be unduly optimistic. It is known, for instance, that the existing pattern of involvement inside enterprises seems to be favouring participation as an agent for efficiency rather than as an agent for redistributing power. Furthermore, the EPOC survey has noted that management may be really interested in developing direct forms of participation with individual employees, side-stepping collective participation with employee representatives. Still, it is worth asking whether this is a case of genuine convergence of the interests of workers and owners, or one of strategic manipulation of the system of worker participation. Moreover, if collective bargaining and worker

participation schemes are different, are they also mutually exclusive and irreconcilable? The answers to these questions have clear implications for the industrial relations strategies adopted by the two sets of players and ultimately for the well-being of the enterprises concerned.

It should be noted that the terms, *worker participation* and *employee involvement* or *empowerment* here denote different systems by which employees may take an active part in work-related decisions which operate at their workplace. *Participation* refers to worker or trade union initiatives; while *employee involvement* and *empowerment* refer to managerial initiatives (see also Azzopardi, this volume).

This paper explores the experiences of two different forms of worker participation or employee involvement/empowerment schemes operating in two of Malta's leading enterprises: Malta Drydocks (MDD), an old ship-repair, state-owned company; and Micro-Malta (MM), the pseudonym for the local subsidiary of a foreign company producing micro-electronic components.

In the first enterprise, a worker-elected Council replaced the traditional Board of Directors between 1975 and 1997 (Aquilina, 2002; Rizzo, 2003). During this period of self-management, the Council carried the main responsibility for running the state-owned enterprise while a number of Worker Committees - also elected directly by the workers - were involved in the implementation of the Council's decisions at Departmental levels, alongside professional management. At the second enterprise, a number of joint management-worker groups - such as Total Quality Management (TQM) teams - have been established by management with the aim of constantly improving productivity and quality as well as facilitating communication between management and workers. In both enterprises, the General Workers' Union actively represents the majority of the employees.

It is argued that where employee involvement/empowerment schemes are promoted and sponsored by management (as at MM), the perceived aim is that of incorporating workers into managerial

concerns rather than that of democratising workplace relations. Such schemes, under certain conditions, may indeed contribute towards integrating employees better within the company and increasing their general level of job satisfaction as well as commitment to the firm (Kochan *et al.*, 1995:201-222). Nevertheless, only nominal levels of *power sharing* are typically introduced through such schemes.

On the other hand, forms of participation which are inspired and implemented by workers (as existed at MDD) tend to be more concerned with extending the traditional arena of collective bargaining than with the managerial goals of productivity, discipline and the financial viability of the company.

The paper, therefore, explores the different experiences of participation or power sharing schemes on the basis of empirical evidence gathered in the two enterprises. These were selected and studied because of both important similarities and critical differences, as summarised below:

Table 1: Ships versus Chips

Characteristics	Malta Drydocks	MM
History:	Origins by Knights of Malta since 18 th century	Subsidiary established locally in the 1980's
Ownership:	Local, state/social (self-managed: 1975 to 1997)	Foreign, private multi-national
Market:	Highly competitive; 98% export-oriented; major foreign currency earner	Highly competitive 100% export-oriented
Work Environment:	Dangerous and physically hard; high incidence of occupational accidents	Psychologically and mentally exhausting; emphasis on dust-freedom

Table 1: Ships versus Chips (Continued)

Characteristics	Malta Drydocks	MM
Hours of work:	Normal + overtime & 'back-up force'	3 shifts on a continuous 24 hour rotation
Workforce:	Highly skilled, stable 'proletarian' orientation; ageing (average age 47 yrs +)	Transient, 'instrumental' orientation; young (average age 26 years)
Size:	Large local state enterprise now, with 1,900 workers (99% males)	Large Maltese private enterprise (51% males)
Product:	Service & repair of ships	Assembly of micro chips
Technology:	Traditional, manual, heavy industry	Automated process, electronic
Demand:	Highly competitive, fluctuating market	Highly competitive, frequent technological innovations
Trade Union organisation:	Traditionally militant (98%) GWU membership; representing all industrial worker categories	Pragmatic GWU membership (70%) – only shop floor workers are represented
Future Prospects:	Declining, yet determined to succeed	Uncertain, dependent on parent company
Forms of participation:	Council & Workers Committees elected directly by workers	TQM groups appointed by management

The evidence for this paper is drawn both from extensive research carried out by independent, social science research over a 20-year period at MDD, as well as open-ended interviews with management and trade union leaders in the two enterprises. In addition, the information on MM has been based on 'social climate' surveys of worker attitudes to work and technology commissioned periodically by the management of that same enterprise.

Participation Inspired by Workers - The Case of Malta Drydocks

Malta Drydocks has traditionally provided the largest concentration of industrial workers in Malta. It has often been publicly called 'the cradle' or 'the backbone' of the Labour Movement. In spite of drastic reductions to the workforce - through natural wastage as well as through deliberate schemes - for almost two decades, it still employs close to 1,800 employees - almost 1.4% of the total working population. Its aggregate wage bill now accounts for approximately 2% of the total employment income of the economy. As most of the payments for its services are made in foreign currency, the enterprise makes an important contribution to the country's balance of payments. Furthermore, the Drydocks has traditionally served as the most important source of engineering and industrial skills on the island, serving effectively as its first technological institute (Sultana, 1992).

Due to their economic importance and social visibility, Drydocks workers have played a prominent role in the national political arena. They are popularly still regarded as the militant core of the General Workers' Union and the Malta Labour Party (Zammit, 1984). It is largely due to their economic, social and political clout that the system of self-management persisted at the Drydocks for 22 years.

During the first seven years of self-management (1974-1980), and despite many handicaps - such as inadequate facilities and limited berthage - the Drydocks improved wages and work

conditions while also realising some modest profits. However, since 1981 the enterprise has registered losses and could only survive through heavy state subsidies. By 1996, the Drydocks owed the Government a total of Lm60m (US\$180m) in outstanding loans. Over the period 1990-1999, Malta Drydocks had benefited from a staggering Lm142m (US\$426m) in grants and loans from Government (*The Times*, Malta, January 12th 2000: 11).

Sporadic attempts were made between 1981 and 1996 by successive Maltese Governments to change or modify the system, primarily with a view to reining in the financial losses. These were strongly resisted by the mobilised workforce. As a compromise, various economic measures were agreed to, leaving the participation system untouched. The most important agreement was reached in 1989 between the Drydocks Council and the Nationalist Government. The latter agreed to give subsidies totaling Lm65 million (US\$195 million) spread over ten years and Lm15 million (US\$45 million) in the subsequent 5 years. On its part, the Drydocks Council agreed to cut losses by Lm2.7 million (US\$7.1 million) a year, to reduce the workforce through an early retirement scheme and to seek advice from foreign experts on how to make the enterprise more efficient and economically viable.

The Drydocks Council acted as the board of directors, deciding on the policies and the paths to enterprise development. The execution of policy was entrusted to a team of professional managers employed at the enterprise. The Council had increased the rights and powers of employees, especially in the areas of job security and pay, health and safety, and control. Unlike traditional trade union representation, the Workers' Council and Workers' Committees sought to avoid conflicts with management, mainly through shared responsibility and mutual respect; however, professional management was by-passed when all else failed.

A series of recessions in the shipping industry have presented daunting challenges to the Drydocks' policies. The enterprise has been obliged to diversify clients, raise production levels and

maintain high quality standards to repairs and constructions. During recent decades, competition in shiprepair toughened from modernised, subsidised and later privatised ports around the Mediterranean. Ironically, one of the main attractions of Malta Drydocks to its customers is the low-tech but dirty service of grit-blasting which remains highly profitable. Nevertheless, this was not enough to turn round the financially deteriorating situation.

Would state subsidies continue to appease the most militant, hostile workers? Would such handouts eventually kill both the enterprise and workers' participation? Some trade union leaders had felt that the Nationalist Party's hidden aim was to blunt the MDD's competitive edge with continued subsidies, to buy off the GWU, and use workers' participation as its own instrument. As a twist of irony, it was the Labour Party, swept back into power in October 1996, that brought an end to the self-management system, re-introducing a more conventional board of directors with 5 out of 9 members appointed by Government, and the remaining four being worker-directors. These were scaled back even further to just one worker-director in 2000. Following Malta's imminent accession to the European Union in May 2004, and the negotiated transition period for state aid, most direct state subsidies to the MDD will no longer be permissible after 2008. Government has announced plans involving spending, making good for or writing off a total of Lm444m (US\$1,332m) to retain 1,600 jobs at Malta Drydocks and Malta Shipbuilding with a view to achieving an eventual break-even point by 2008 (*The Times*, Malta, 4th December 2001: 5).

The workers' perceptions of the participation system at Malta Drydocks have been explored through a series of surveys carried out by the Workers' Participation Development Centre of the University of Malta (Kester, 1974, 1986; Baldacchino, 1983, 1984; Baldacchino *et al.*, 1986; Baldacchino & Portelli, 1988).

In general, a strong support for the system of participation was expressed amongst all categories of industrial workers. Only

between 6% and 9% rejected the system. Most workers held high expectations from participation. More than half state consistently that participation is advantageous in all aspects of the work experience.

However, in the minds of MDD workers, participation was not directly associated with productivity. A widespread opinion was that an increase in production is mainly management responsibility for it is their duty to secure more work contracts and to improve the organisation of work. On their part, the workers would surely then rise to the occasion. Most workers (70%) perceive a positive but indirect contribution of participation to productivity. This comes about through 'a more satisfied workforce' as a result of 'better working conditions and less hardship'. Participation also contributed to productivity through 'improved management-worker relations'. In fact, worker participation seems to have had only a slight impact on the technical factors of production: mainly through more efficient capital utilisation. It has been found, for instance, that while an increase in the rate of labour utilisation had been registered at MDD, this was offset by the elimination of night shift work, the introduction of a shorter working week and an increase in overtime allowances. The overall impact of participation on the 'human factors' of production has been through measures such as an improved motivation to work, and a sense of duty (Zammit & Portelli, 1983).

One survey has revealed that the Drydocks workers perceive worker participation from the point of view of their own advantages and rights, rather than from the point of view of the effectiveness of the system in producing better work performance (Smole-Grobovsek, 1986).

In many ways, the perceptions of worker participation held by MDD managers contrasted sharply with those of the workers. Although managers also claimed to accept the principle of worker participation, they have had many reservations about its implementation at MDD. They tended to restrict its relevance to

those areas of joint decision-making which traditionally were the subject of collective bargaining. Drydocks managers strongly resist workers' participation in areas which have traditionally been management prerogatives (*ibid.*:257).

Another survey has found that 72% of management, in contrast to the other main actors, believed that the Drydocks' system of worker participation is not operating well enough (Baldacchino & Portelli, 1988).

Furthermore, 81 % of the managers interviewed have stated that the Workers' Committees interfere in the execution of their day-to-day duties. Finally, a study of the roles of the main groups of actors at the Drydocks has argued that there is increased scope for conflict due to the undefined expectations and overlapping roles of shop stewards, members of worker committees and professional management (Kester, 1986).

On the other hand, it should be noted that, as a result of the prolonged participative experience at MDD, several members of the Drydocks Council and Workers' Committees had over time acquired substantial managerial skills and had also established international connections which enabled them to carry out their tasks effectively. Furthermore, a new generation of managers had been gradually emerging within the participative system: their role models are more realistic and they can communicate more effectively with workers than their predecessors. Such factors have helped to somewhat mitigate the uneasy relations between management and workers.

Participation inspired by Management - Employee Involvement at MM

MM is a European multinational corporation with some 30 plants world-wide. Its research and development centres and diffusion plants (where the micro-wafer is fabricated) are concentrated in Europe and the U.S.A. But it is also said to have been the first

Western corporation to have invested in a diffusion, hi-tech plant in a foreign country: Singapore in 1986.

Assembly and testing of the more sophisticated electronic micro-chips only takes place in a few plants like France, Malta and Singapore. In fact, the Malta plant is said to be unique in so far as it performs the top range of assembly, whereas simpler devices are assembled in North Africa and South-East Asia.

Since its establishment, the Malta plant has registered steady increases in its workforce. In the early 1990's, the plant was hit by the international recession in the electronics industry. This contributed to a temporary reduction of the workforce and some production lines were transferred abroad. However, since that time, the plant has fully recovered and even further advanced its market position, due in part to the recent management strategy of 'employee empowerment'.

Over the years, there has been a continual investment in more up-to-date machinery. Adopting new processes is essential in the fast-changing electronics industry. The products of MM in Malta are sold to its overseas clients in the data processing, telecommunications and automotive industries. Clients include IBM, Siemens and Olivetti. The local plant uses computer aided manufacturing, automated materials handling, computerised inspection and testing, and office automation.

Production at the local MM plant increased significantly - at 30% per year between 1983 and 1989 - outstripping the average annual growth rate of 22% achieved by the company worldwide. In 1995, production at the Malta plant was double that of the previous year. The effect of this rise has been profound in the small local economy. The electronics sector, has in fact overtaken both clothing and ship-repair in Malta's production and export league. In fact, the Maltese economy is now precariously dependent on the continued operations of its electronic firms. The sector's export revenue consistently reaches almost 50% of the value of Malta's total manufactured exports.

Management's Priority: to Constantly Raise Output

Management's top priority is to maximise return on the high technological investment and to remain competitive. The pressure is great. For instance, one section of workers, supervisors and engineers will have to meet a production target of 260,000 components a day. If one machine breaks down for one hour, lost production amounts to thousands of devices and a loss of thousands of dollars. Every effort is made to maintain productivity increases at the level of 10 to 15% annually. Management's attempts to introduce forms of worker involvement - as will be explained later - must be viewed in this context.

The four-shifts-a-day system, which operates in most MM subsidiaries, proved unworkable in Malta when this was introduced in 1988. About half the workforce left the firm as a result. Instead, a three shifts system was established, with union agreement, working around the clock, rotating on a weekly basis. There are also special arrangements for night shift workers during the week-ends. Whilst this might seem to be an improvement on the four-shift system, there are still complaints about the hardship involved in working such long, rotating hours. In addition, workers are obliged to work compulsory overtime. The minimum statutory leave is allowed but workers are encouraged not to take more than one or two days leave consecutively and to accept suggested leave.

Most workers (63%) at the local plant are operators with an average age of 26 years and almost half (48.5%) are women. Operators may in time be promoted to technicians: repairing machines, testing and trouble-shooting. Graduate engineers are employed to solve problems that are beyond the competence of technicians and are made responsible for a section's output. Engineers and technicians constitute approximately 25% of the present workforce. Managers are generally promoted by seniority and at present there are only very few foreign managers at the Malta plant. The management role is strictly that of ensuring that production at the plant is kept at high, competitive levels. They

are not involved in the company's strategic decisions. As has been argued:

"A characteristic feature of multi-national companies is that their subsidiaries operate under the discipline and framework of a common global strategy and common global control. Each subsidiary is thus left in the dark as to its future in an insecure and vulnerable position" (Hickman & Da Silva, 1989:99).

As Henderson (1991:164) has noted, the prospect of high discretion jobs raised by the high technology mode of production - apart from the successful experiences of a few Asian countries - has not been generally realised. Many electronic firms have remained locked into their position at the cheap labour-intensive, low value added end of the international division of labour.

It was due to such pressures that, at one time, the MM management found itself wedged in: between the unceasing demands from Head Office and an apathetic workforce. The workers' reaction was evidenced in excessive turnover which in the early 1990's was still high at a level of 17% per annum. Pressure for high output targets and long hours of work, together with few opportunities for skill development, job enrichment and job discretion, were cited as the main reasons for high turnover of staff.

The results of a 'Social Climate Survey' undertaken by management at MM in 1991 revealed the reasons for this low level of workplace satisfaction. The working hours (46% dissatisfied); the constraining overall work conditions (58% dissatisfied); inadequate dissemination of information (54% dissatisfied) and poor communications (71% dissatisfied); negative rating given to management (65% dissatisfied)... all indicated a high degree of malaise and disappointment with the state of affairs at work. Indeed, this was also evident in the very high number of disciplinary charges then brought against workers. Management complained that the workers' lack of motivation was also evident in a product quality which was below the company's expectations. At that time, the future of the Malta plant appeared uncertain.

Employee Involvement/Empowerment

It was under these circumstances that the MM management embarked upon its 'employee empowerment strategy' aimed at involving the workers more actively in their own workplace. 'Empowerment is our path to excellence', proclaims a company motto. In the words of one manager, the ultimate aim is to promote 'people effectiveness and satisfaction for high performance standards'. A high-powered T.Q.M. Steering Committee was established, made up of persons representing all the categories of employees. It includes the Managing Director, all senior managers and, following a call for applications, representatives of technicians, supervisors and operators. A specific manager was assigned the task of promoting and facilitating the process. He perceives his task as being more than just the improvement of output but the 'total quality of management'. In the company view, 'excellence' is achieved through a prolonged process of change involving both 'management commitment' and 'employee empowerment'. In this way, people can be trusted, become confident and can work without supervision. One aim is to perform 30% of the production processes through 'self-managing teams' (SMT). Such teams are described as 'work groups that operate with a defined degree of autonomy and without a visible manager'. There are also intermediary group activities such as Quality Circles (QC), Problem Solving Teams (PST), Process Improvement Teams (PIT), Employee Involvement Teams (EIT) or Task Forces (TF). There are tens of such teams and committees; almost a quarter of the workforce attend regular, weekly meetings.

While the stated objective of worker empowerment was 'to modify work organisation to support flattening of the hierarchy', the company has made no secret that essentially:

"... TQM is a way of managing all aspects of a business to achieve the best results for the shareholders as a result of providing superior customer satisfaction and employee motivation, at the lowest achievable cost, through the practice of continuous

improvement and defect prevention involving all employees in the firm" (Company Statement, 1995).

A company booklet introducing Quality Circles explains that these are a means for creating the right atmosphere for common solutions to work problems. Through them, "everyone contributes towards competitiveness and the satisfaction of customers with our products". Such groups meet regularly on a voluntary basis in order to study quality improvement and problem solving. Each group is expected to present its proposals to management.

Systematic attempts have been made to involve as many workers as possible. One highly successful scheme has been an 'Employee Suggestion Scheme' which started operating in 1992. Initially, there were very few suggestions, but the number of suggestions submitted by employees picked up fast. A special company board has been set up to consider each suggestion. Individual replies are sent home to every employee who submits suggestions and 50% of these are actually accepted. A number of small incentives, like book vouchers or cinema tickets, are offered as well as a more substantial prize for the 'best suggestion' of each quarter. The explicit aim behind this scheme is to foster a 'sense of belonging' among employees, as well as to improve output quality and production levels.

In addition to the above initiatives, the empowerment scheme was supplemented by two other inter-related sets of activities: one consisted of an ambitious programme of continuous training, intended to reach all categories of employees; the other was a strategy for increasing the employees' awareness of matters related to occupational health and safety.

As a result of these initiatives, 88% of all employees have hitherto undergone at least 50 hours of training each. The aim is to raise this to a still higher average over subsequent years.

The training courses offered cover a wide range of topics, grouped under the following main headings:

- Management Training
- Personal Development
- Technical Skills
- Tools and Methodologies
- Security
- Occupational Health & Safety
- Information Technology

Of these, a number of units are dedicated specifically to worker empowerment. These include: team building, self-managed work groups, leadership skills, TQM and team-oriented problem solving. Other units deal with the technical aspects of work, such as micro-processors, anti-mixing skills, and CMOS/VLSI design. Certain units, such as an induction programme, workstation certification, total productive maintenance and auto-control certification, are intended for all operators. Other units are earmarked specifically for managers, engineers, supervisors, technicians and administration employees. The topics concerning occupational health and safety include units on the safe use of chemicals and gases as well as fire-fighting and first aid skills.

In addition to formal training, the company issues a number of publications in Maltese dealing with specific topics, such as Quality Circles, Personal Hygiene, a regular Newsletter and has even issued a series of comic strips in Maltese in order to get across its messages to employees in an appealing, uncomplicated format (Mallia, 1997). These publications are distributed to all employees, free of charge.

As stated above, there are indications that such a determined 'empowerment' strategy by management is producing the desired effects.

Examples include:

(a) Objective Indicators

The level of defective products in 1995 was already 15% of what it was in 1992. The local management is proud of the fact that by comparison with MM plants in elsewhere, the Malta plant is quite competitive, in spite of the wage and salary bills which prevail

here. The same applies to employee turnover. Whereas in the electronics industry in Malta it is generally rated at 18% per annum, this has now gone down to 6% at ST-M. Likewise, the average absenteeism rate in Maltese industry is calculated as 10% of the total number of hours worked; at MM it is just 2%.

(b) Subjective Indicators

The overall impact of empowerment is reflected in the employees' subjective expressions of satisfaction in social climate surveys. The results contrasts sharply with those of 1991 referred to above. Positive levels of employee satisfaction have been recorded on all explored items including: production quality (85%) training (82%), the company (81%), communication (73%) work (69%) management (69%) and working conditions (69%). The vast majority of employees (89%) now report that they like their jobs and are happy to be working at MM (87%). It is also relevant to note that 81% of the employees are satisfied with the T.Q.M. scheme operating at the company.

(c) External Indicators

There has also been external recognition of the performance achieved at MM, both among the general public and from award giving bodies. A sample survey was carried out in 1994 among members of Malta's general public by an independent market research company in order to explore public perceptions of MM. The survey revealed that 82.6% of respondents would encourage a good friend of theirs to work at MM, because the company enjoys a good reputation (56.3%), it offers good wages (40.3%), and provides good training (55.3%). The vast majority of respondents do not believe that the company is creating any hazards for other people (91.7%) or its employees (82.6%).

The survey concluded that the general public perceives MM in a 'very positive light' and as having 'a very good corporate image'. The company has also received a number of highly prized local

and international awards for its performance particularly in the fields of quality production, human resource policy, health and safety conditions and environmental policy: all areas related to its empowerment programme.

Clearly, the aims and achievements of empowerment are impressive from management's viewpoint. However, it is questionable whether these can actually lead towards any fundamental changes in the existing power distribution within the enterprise. Indeed it can be argued that as a result of 'empowerment policy', the workers at MM are simply internalising management's goals. They would not require any formal supervision because they would be carrying out management's wishes independently, on their own initiative. The central corporate policy is to promote empowerment as a means towards employee compliance in pursuit of corporate goals (Guest, 1987). Such a policy, of course, also carries implications for trade union effectiveness.

Trade Union Role

At MM, the General Workers' Union has had shop-stewards representing operators and technicians on different shifts at the local plant. Its membership includes about 70% of the workforce on the shop-floor. Every three years, a collective agreement is hammered out between the trade union and the local management. During such negotiations, the latter often reminds the union that if it enforces unrealistic demands, the company would close down its Malta subsidiary and shift its production elsewhere.

In addition to wages, the major negotiating issues over the past years have been: the introduction of a three-shift system with compulsory overtime; the introduction of nightshifts for women; and ensuring that no redundancies are enforced but only natural attrition when a production line was shifted overseas.

Despite its firm base, the trade union does not really have much control over company developments or processes. Sometimes it

had threatened to bring in an industrial engineer to check whether the production quotas are too high.

The trade union leader involved in negotiations does not think the factory can keep going at the present rate because comparative costs are three times higher in Malta than in competing countries. Moreover, MM employees are considered very well paid by local standards: their take home pay has consistently been around twice the national average.

Management also points out that labour costs have been increasing by over 12% a year. State induced costs have also risen, such as telecommunications, electricity, rent, bank charges and import/export freight handling. In addition, compensation to exporting firms for exchange rate fluctuations have also been abolished. It is therefore difficult to compete, not only with the low labour costs of Morocco and Malaysia, but also with Europe, where labour costs are four times higher but where strategic hi-tech industries get high subsidies. Consequently, unit costs even there are often lower than in Malta.

The logical conclusion that may be drawn from the above evidence suggests that collective bargaining through the established union is circumscribed, due to the local plant's vulnerability (see also Grixti, 1994). The main initiatives in employee empowerment introduced 'from above' are perceived by the union as a managerial strategy aimed at persuading the workers to support and espouse managerial goals. Nevertheless, the GWU has opted to steer clear of activities to which it is alien and for which it has not been invited. Its option is rather to represent the workers and improve their working conditions as best it can under the circumstances by bargaining strictly on pay and conditions.

Conclusion

Both worker participation and employee empowerment have a spectrum of different forms; from trade union representatives

involved in a traditional 'collective bargaining' relationship with management to the assumption of full worker responsibility in self-management. In varying degrees, participation is always related to power-sharing. One question which can only be resolved through empirical investigation is whether such power distribution is real or merely a new form of manipulation by management over workers to pursue the former's traditional objectives.

This paper has explored the experiences of two different forms of worker participation in two of Malta's leading enterprises. The promoters, whether the management or the workers, clearly aim at establishing different participative forms and pursue different objectives. For this reason, although both are concerned with the problems of production and working conditions, they tend to give these matters different priorities. At the Drydocks (1975-1997), the highest priority had been given to securing the workers' direct interests through a participative framework. At the same time, the resultant cooperative atmosphere also has some positive effects on production. Due to the economic downturn in the shiprepair industry, the worker-elected Council had been applying its newly acquired managerial skills to securing new markets, introducing more efficient technology, developing new 'products' and raising production levels. In doing this, however, they appear to have considerably alienated professional management. Moreover, internal conflicts persisted due to overlapping roles such as those between the Workers' Committees, professional management and trade union shop stewards. In this context, management did not overcome its identity crisis; nor did it develop a new integrated role in the participative context. While power had shifted significantly towards the workers as a collective, it appears that this shift had not been accompanied by an equivalent increase in the subjective awareness of the responsibilities of power among shop-floor workers. This failure, together with the 'militancy' of the Drydocks' workforce, partly explains why the system of self-management had remained fossilised locally at the Drydocks, why

successive Maltese governments have been reluctant to extend it to other parts of Malta's economy, and why few were those who defended the system when it was deftly dismantled by the Labour Government in 1996-7 (Baldacchino, 1997; Zammit, 2001).

However, the solution to the economic problems of Malta Drydocks must also be conceived as synergistic with the development of the whole Maltese economy and society. As the Maltese economy has recently been going through a period of expansion, fuelled by tourism, public and consumer spending, working at the Drydocks has become increasingly uncompetitive and unattractive to prospective workers in Malta's contemporary labour market. It has become difficult to recruit and to keep apprentices at the Drydocks with all its physical dangers, hardships and uncompetitive wages. After many years without apprentices, MDD accepted 30 new apprentices recently – when it had requested 60.

On the other hand, the management at MM is making a determined and systematic attempt - through employee empowerment - to address the workers as subjective individuals so as to elicit from them responses which are consonant with managerial objectives. It has been stated that employee empowerment aims to reduce to a minimum any need for visible control over the workforce. It is the individual employees themselves who would thus exercise 'auto-control'.

This argument is reminiscent of Foucault (1977:185-194) and his candid depiction of the changes which have taken place over the years in the exercise of power. In the past, power was visibly displayed and exercised through its manifestation; while people, as the objects of power, remained obscure. On the contrary, power now is itself invisible and achieves its effects by making its objects visible. Similarly, individual employees are systematically studied at MM through the various 'empowerment groups', 'social climate surveys', 'suggestion boxes' and so on. All these are in turn subjected to the 'disciplinary gaze' of the company which control them.

In this process, and as a by-product, individual employees become detached from each other and their solidarity is replaced by individualisation on the basis of norms which they themselves help to establish through empowerment groups (such as quality circles). The emergent norms, of course, are more difficult to react against than those imposed directly by management. As a result, the employees cannot remain hostile or even neutral to managerial goals but are forced to become 'involved' in them. This form of subjectification is clearly inconsistent with objective 'power sharing' which is a pre-requisite for effective 'participation'. Barbara Cruikshank (1993:327) has argued:

"Strategies of empowerment, self-help and democratic participation are also practical techniques for the subjection of individuals".

This is because the social solidarity bonds among employees are destroyed by the stress laid on their individual involvement or empowerment.

This further suggests that when both worker participation or employee involvement/empowerment systems are channeled through a collective organ - such as a trade union - workers' solidarity is better preserved and this can act as a countervailing power in the workers' dealings with management. Short of this, workers can become individualised and trade unions marginalised.

On the other hand, there is some international evidence suggesting that, under certain circumstances, when trade unions and management join forces in their projects of employee involvement/empowerment or worker participation, their effectiveness is enhanced and the outcome is mutually beneficial (Harrison & Laplante, 1996). In such a case, the different strategies used by management and workers for employee involvement and/or worker participation may not only be seen as compatible but even as mutually supportive.

Cooperation with management in such programmes, however, does not come easy for the trade unions whose role is traditionally

defined in adversarial terms. As Harrison & Laplante (*ibid.*:124) have claimed:

“Unions ... are trying to modify their action from a defensive position aimed at protecting their members, to a proactive position aimed at reconciling the firm’s economic interests and safeguarding their institutional autonomy”.

A new and more effective approach to participation/empowerment is required, one which harnesses both management and worker initiatives. Such an approach may be concretised within a social partnership framework, as endorsed by the ILO and the EU. It can be actively promoted through cooperative education programmes administered with the assistance of union friendly, independent researchers and educators who are committed both to the principles of workplace democratisation and trade union renewal; as well as to the requirements of enterprise efficiency, competitiveness and viability in today’s globalised economy (Kester & Pinaud, 1996).

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