WILLING AND SOCIAL WORK PARTICIPATION

Socio-Cultural Rationalisation in Industrial Organisation

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Keywords

Socio-cultural rationalism refers to the variable interconnection of interests and values under Capitalism. Expropriation refers to the ownership of the means of production by the capitalist. Appropriation refers to status rights of economic advantage. Socially integrating principles refers to the social orientations or values that integrate social orders. Social relation refers to the meaningful actions of (a plurality) actors. Formally free or free social relations - refers to whether there are restrictions on the return of profit, and whether the return of profit is to individuals or to a community.

Abstract

In this thesis I interrogate the possibility of 'willing and social' work participation in industrial organisation. I draw on Habermas's (1976, 1979, 1984 & 1987) work to synthesise marxist and weberian ideas, and to derive a socio-cultural or cultural marxist perspective on Capitalism. From this position I highlight the limitations of social action in theories of organisation and work. Moreover, I theoretically derive a model of work participation that acknowledges broader orientations to work.

I interrogate that model of work participation in a study of four dominant forms of industrial organisation. Those organisations are SEQEB the South East Queensland Energy Board, Eagle Boy Pizzas in Queensland, the New South Sugar Milling Co-operative Ltd, and Budge-Ellis Staff Co-operative.

Gathering data for this study involved both primary and secondary research. I used a comparative and longitudinal field research approach, unstructured interviews with an interview guide, and the collection of documents recommended by interviewees. I interviewed people working in the organisations and relevant government agencies. My research involved travel in Queensland and New South Wales, Australia.

Ultimately, I produce a sociologically informed model for the establishment of 'willing and social' work participation. I conclude work participation exists within the context of capitalism, and social relations – either formally free or free; that work participation is

directly influenced by rational configurations of the world of work comprising economic, political and social worldviews; and I argue the dominance of a worldview depends on whether the political action premises of buffering and shoring successfully neutralise competing worldviews; and whether the moral dictums or espoused values of work are prescribed or invoked and result in the exploitation or deployment of internal values.

My thesis points in the direction of further work on co-operative forms of organisation and work and their commonweal ideologies. In particular, my findings demonstrate a crowding out of co-operative forms and ideologies, not only by capitalist forms but also by trade union collectives. The type of research I suggest has the potential to increase the legitimatio n of co-operative forms of organisation. Although, the Australian co-operative movement has many achievements there remains the problem of establishing a socially progressive rationality that makes practical or operational sense to people at work. The emancipator ideal of willing and social work participation is intended to epitomise the goals of the enlightenment project, and to lead in that direction.

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Declaration

I hereby declare that this thesis is the result of my own independent research and all sources, which have been consulted, are acknowledged in the reference list. The material has not been submitted, either in whole or in part, for a degree at this or any other university.

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CHAPTER ONE: INTRODUCTION

1.1 The Research Problem

The question addressed in the thesis is: Can industrial organisation sustain willing and social work participation?

Critical marxist views on work claim powerful organisational forces dominate, control and alienate workers. This view demonstrates the subordination of labour to capital and portrays consent and participation as mere forms of co-optation. It overlooks the potential for a broader range of orientations to work, obscures the possibility workers may willingly participate in organisation and work, and that they may do so on a social and non-coercive basis.

I believe participation tends to be conceptualised in individuated ways. Yet participation in work can be socially oriented too. For this reason I introduce the concept of willing and social work participation, and I explain it as a search for self-expression, self-development and contribution to community. I also believe social orientations to work are undervalued in terms of the contribution made to community and society and generally unacknowledged in terms of theory. Furthermore, that if the concept of willing and social work participation were broadly legitimated, it could provide relief from the often mundane and meaningless experience of work.

At the outset I believed my perspective to be critical and therefore marxist. Yet my emancipator stance and the concept of willing and social work participation seemed fraught with theoretical problems. There was no readily available framework for such a concept. How, for example, was I to differentiate my research approach from traditionally critical and

more conventional sociological perspectives? How might I relate it to theories of organization? And, how would I compare it to labour process theories considered the site par excellence of theories of work? Indeed, where would I theoretically situate the concept of willing and social work participation?

Moreover, what form of industrial organisation would sustain the willing and social work participation I had in mind? Was I more likely to identify it in co-operative forms of organisation and work? If so, how would the potential for its' manifestation differ across alternative forms of organisation and work? Would the orientations overriding it in one form of organisation and work be so different to those encouraging it in another form of organisation and work? Further, what kind of change would be enough to fundamentally alter capital labour relations and the very essence of Capitalism itself?

These were questions that perplexed me. At times the complexity of the research task seemed daunting. Yet, I could see the problem stemmed more from the absence of a readily available theoretical framework, than from the unlikelihood of willing and social work participation existing in any empirical sense. In addition, I remained resolute that if willing and social work participation was a possibility, and people do indeed glean some social return from it, then surely the task of theory should be to account for it. The following quote by Harvie Ramsay serves to elucidate this point. As he sees it, "The task of theory is to account for... not to deny that bees can fly merely because in theory they should not" (Ramsay, 1985:74).

1.2 Significance Of The Research

At the heart of my research on industrial organisation is the assumption of a division of labour giving rise to the functional specification of work (Adam Smith, 1776). Further, what

we understand about this division of labour is framed by competing positions on economic and social ramifications. Traditional or critical sociological views following Marx (1954, 1976ab) are quite disparaging. Critical writers critique the division of labour to highlight the deleterious economic and social consequences of work. By contrast more conventional views following Compte 1830-42 and Spencer 1874 (cited in Bock 1978) are overwhelmingly positive[1]. Parsons (1937), Alexander (1988), Turner, Beechley & Power (1989) hold similar positions. Conventional writers believe the division of labour is a legitimate and necessary precursor to economic organisation. Moreover, that it facilitates efficiency and improves the conditions and practices of working life. The irony from my emancipator position is traditional and conventional views acknowledge the primacy of the division of labour but fail to consider the ways in which the deleterious effects of organisation and work might be improved.

Given that industrial organisation is likely to remain a dominant aspect of capitalist societies, and it is logical for this to be so, perhaps what is required is the adoption of a broader framework that would acknowledge the possibility of willing and social work participation. Important reasons for seeking this are the high social cost of economic efficiency in comparison to the deleterious conditions and practices of working life. Economic efficiency does not always improve the conditions of working life. Furthermore, while there has been a considerable amount of research undertaken, e.g. on work motivation (Mayo 1939), job enrichment (Hertzberg 1959), job redesign (Kelly 1986), and participative schemes (Ramsay 1985 & Vaughan, 1986). There still remains a theoretical disjuncture, particularly

[1] The work of Compte (1830-42) and Spencer (1974) holds a significant place in the history of sociology. There have been continued developments, either in line with or, in rejection of their ideas of a linear social development.

from a critical perspective, between the willingness of workers to participate and structures of industrial organisation.

In my search for a theoretical framework for willing and social work participation I met with incongruent approaches. In terms of classical sociology, Max Weber's (1947, 1978abc) work appeared to provide an invaluable point of departure when compared to traditionally critical and more conventional sociological approaches. Yet there were still significant limitations in terms of the concept of willing and social work participation. Weber builds on Marx and Engel's (1948) account of ruling ideas to highlight the ascension and descent of legitimised or hegemonic ideals. Not only does his work emphasise ideals and therefore highlight how values drive actions, his work highlights how participation or willingness to work is contingent upon the meaningful behaviour of a plurality of actors, i.e. social relations (Weber 1947:118). Ultimately, though, given his argument of master trend of purpose rational action under conditions of Capitalism, there must be a screening out of broader orientations to work. Indeed, Weber's (1978a) work highlights only a limited range of orientations to work[2]. On this basis, his work negates the possibility of willing and social work participation.

In addition, although I encountered more contemporary neo-marxian and neo-weberian approaches this was to little avail. I was searching for an approach that went beyond neo-marxian concepts emphasising the functionalism and negative consequences of economic production (e.g. Wright, 1985). I was partly satisfied with more contemporary or neo-

[2] According to Weber's (1978a) framework, action can be: (1) rational in the sense of employing appropriate means to a given end: that is, the agent may use his expectations of the behavior of external objects and other human beings as 'conditions' or 'means' to achieve as the outcome his own rationally pursued and calculated purposes, (2) rational in the sense that it is an attempt to realize some absolute value: that is, the agent may consciously believe in the unconditional intrinsic value, whether ethical, aesthetic, religious or other, of a particular sort of behaviour purely for its own sake and regardless of consequences, (3) affectively (and in particularly emotionally) determined, that is, the result of current emotional impulses and states of feeling, or (4) traditional behavior, the expression of settled custom.

weberian concepts highlighting mechanisms of political closure; i.e. limitations on the rationalisation of labour, institutional protection, and the minimisation of the distributive consequences of class structure (e.g. Parker, 1979). However, the concept of willing and social work participation I envisaged involved collective and social notions that were again not detailed in either of these more contemporary approaches.

Ultimately, I chose to join the handful of critical researchers who embrace the challenge to instrumentalism (see Marcuse 1964; Benson 1977, 1983; Clegg 1975, 1977, 1986, 1989; Brown 1978; Clegg & Dunkerley 1980; Alvesson 1984, 1985; Forrestor 1983; Willis, 1983, 1996; Alvesson & Willmott 1992). Indeed, I chose to go further and join the few who challenge instrumentalism from an emancipators' point of view (see Habermas 1984, 1987).

1.3 My Approach To The Research

I began my research with the following conjecture: industrial organisation can sustain willing and social work participation but it tends not to. Initially, I used the term industrial organisation to refer in a very general way to capitalistic enterprise (Weber, 1947: 275-279)[3]. My use of this term became more focused after an exploration of the literature on three discrete but interrelated levels of analysis: capitalism, organisation and work. In addition I used the concept of willing and social work participation in pre-theoretical sense, that is to say, the concept reflected my thinking on participation prior to reading the literature mentioned above. By synthesising key works in the literature on capitalism I constructed an

[3] According to Max Weber (1947:275-279) capitalistic enterprise is the dominant mode of providing for the wants of the masses. He argues it involves fixed capital, free labor, the rational specialization and combination of functions, and the allocation of productive functions - all of which are bound together in a market economy.

overarching theoretical framework for my particular research topic, and I used this framework as a guide to my position on theories at the level of organisation and work.

An exploration of the critical literature on capitalism led me to the work of Karl Marx (1954, 1976ab), Max Weber (1978abc, 1947), and Jurgen Habermas (1984, 1987). In the first instance, Karl Marx (1954, 1976ab) provides an economic or materialistic conception of social action in production. Moreover, he presupposes the antecedence of materialism over ideals. By contrast, Max Weber (1978a) concedes material and ideal interests govern human action but argues it is the latter in the form of 'world images' or (hegemonic ideals) that frequently determine the tracks along which the dynamic of action is pushed. Weber's work emphasises the autonomy and driving force of instrumental ideals. Finally though, Habermas's (1984, 1987) work provided concepts useful to me in the construction of an appropriate theoretical framework. Habermas (1984) challenges the master trend of instrumental rationality from an emancipators' position. He argues the concept of technical and organisational efficiency (or purpose rationality) has been hypostasised as a value. To remedy what he believes is a conflation of two types of rationality, he distinguishes between the rationalisation of systemic interests and the rationalisation of values. Further, he argues the combining of different types of rationality can produce either instrumental or social action.

My synthesis of those key works led to the construction of overarching theoretical framework for willing and social work participation. I used this particular research perspective, which I refer to in the thesis as a cultural marxist perspective, to guide my understanding of theories of organisation and work. Although other researchers have expanded on affective or emotive types of rationality (See the work of Hochschild 1983; Ashforth & Humphrey 1995; Fineman 1993; Putnam & Mumby 1993) there has been little

attempt to explain the role of broader community or social values and how they might ameliorate the impact of instrumental rationality in organisation settings. My adopted framework expands on Weber's framework of rationalised actions and the postulate of a descending order of rationality, to recognize broader absolute values. Consequently I was interested in organisation theory from the point of view of explanations of rationalised actions at the level of organisation. I was also interested in economic rationalism as outlined in theories of work.

My reading and synthesis of the work of Marx (1954; 1976), Max Weber (1978abc; 1947), and Jurgen Habermas (1984; 1987) led me to the postulate work participation is sustained by social relations and orientations to work. Further, that the variability of work participation should be studied across alternative forms of organisation. According to Marx (1976ab) and Weber (1947) social relations are dependent on two important economic and political premises[4]. Weber (1947) posits there are different possibilities for social relations ranging from the case of formally free wage labour to the case of free guild labour. Building on this, Habermas (1984) argues social relations are underpinned by values or orientations that are either instrumental or social[5].

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[4] Marx (1976) and Weber (1947) argue social relations are based upon two important economic and political axes.

Marx (1976b: 1019-1038) argues there exists an economic axis of expropriation. At this axis the buyer is the owner of the conditions of labour (the means of production and the means of subsistence) and the labourer is dependent upon the sale of his labour power for those conditions. The means of production and the means of subsistence are therefore expropriated from the labourer.

Weber (1947:233-236) builds upon this by arguing there is also a political axis of appropriation. At this axis there are rights to economic advantage. These rights are transferable and open to mechanisms of social closure. For instance social closure occurs where the services of labour are treated as the subject of contractual relationships and where institutionalized mechanisms act to protect workers.

[5] Habermas (1984:283) argues social actions can be co-coordinated, on the basis of a value rationalism oriented towards an ethic of economic conviction or, on the basis of a value rationalism oriented towards a social ethic of responsibility.

Through a synthesis of this literature I also refined my understanding of industrial organisation. I adopted Weber's (1978a) premise of four dominant but alternative forms of industrial organisation. Weber argues small business units and bureaucracies are characteristic of modern Western Capitalism and that small-scale guilds and socialist co-operatives originated in the early Middle Ages from the tenth to the thirteenth century and the early modern period from the fourteenth to the seventeenth century.

Each of my cases corresponded to a dominant form of industrial organisation. For practical reasons these cases were Australian based. My first case was SEQEB, the South East Queensland Energy Board. This government bureaucracy underwent restructuring and corporatisation during 1997 and 1998 and is now operating as Energex. It represented an organisation with community service obligations undergoing changes to accommodate market contestability. My second case was the entrepreneurial franchise Eagle Boy Pizzas that began operations in 1989. This franchise has an operation that extends across New Zealand and Australia. It represents an organisation with a pure market agenda. My next case was the NSW Sugar Milling Co-operative Ltd. This producer or growers co-operative was formed in 1978 with the purchase of three northern rivers sugar mills. In 1998 it represented a social and economic community struggling to survive under market pressure and changing government legislation. My last case was Budge-Ellis Staff Co-operative located in the suburbs of Western Sydney, NSW. This organisation is a worker co-operative. It came into being in 1988 when Dairy Farmers Co-operative Ltd decided to sell off extraneous operations and focus on milk products. At the time of my research this social and economic community had maintained the same core staff and experienced ten years of successful operation.

Gathering data for my study involved both primary and secondary research. It was time consuming and difficult to organise and involved travel in Qld and NSW. I interviewed people working in relevant government agencies or in the chosen organisations. I also sourced comparative documents that would provide background material on the institutional context of the organisations, documents pertaining to significant historical events that effected the organisations, and documents on the contemporary structure of the organisations.

1.4 Layout Of The Thesis

The next three chapters form the basis of my literature review. I begin chapter two with a preview of traditionally critical marxist and more conventional sociological approaches (2.1). Next I provide a preliminary definition of willing and social work participation and of industrial organisation and explain my theoretical presuppositions (2.2). Then I introduce the key conceptual levels of industrial organisation: capitalism, organisation, and work (2.3). In the ensuing sections I present the cultural marxist synthesis I adopt (2.4, 2.5, 2.6). I close chapter two with a summarised outline of that synthesis and a discussion of the advantages and difficulties of my adopted approach (2.7, 2.8).

In Chapter three (3.1, 3.2) I introduce the literature on organisation and work and highlight two important theoretical divides. In the following subsections I point in a preliminary way to my representation of theories of organisation and theories of work (3.3). Next, I highlight the economic contours of rational and natural organisation theories (3.4, 3.4.1), and the political contours of radical theories of work (3.5). I then highlight limitations in the models of social action in both of those approaches (3.6). Following this I pick up the thread of my cultural marxist stance and propose a model of social action that can be used to transcend a theoretical gap (3.7). Finally, I turn now to a consideration of the implications of

Habermas's (1984) broader model of social action for willing and social work participation, and indeed for the competing perspectives on organization and work (3.8).

In chapter four (4), I provide an illustration of the dynamic model of work participation that I intend to interrogate in the research that follows. This model draws on my synthesis of the literatures on capitalism, & organisation and work. The model (4.2, 4.3) postulates variable social relations under capitalism. It also points to rational interests in economic organisation and rational interests in political consequences (4.4). Furthermore, it highlights variations in social action and individual action (4.5, 4.6). Consequently, it acknowledges degrees and levels of rationalism (4.7). This model is built from the supposition people at work should be conceived as conscious beings capable of judging the basis of their own participation; i.e. participation may be either strategic instrumental or strategic yet moral and social. I present this model early, so as to more easily demonstrate how insights from the literatures on capitalism & organisation and work guide my analysis of the organisations.

Chapter five is about my research methodology, research design and methods (5.1). In the first section (5.2) I outline the assumptions of the methodology of Deweyan Pragmatism. Following this, I provide an overview of the research design components, detailing a modified version of constant comparative analysis, a comparative and longitudinal field research approach, and my rationale for using the case study as an instrument (5.3). I then detail the steps of my case study method (5.4). I explain my use of a four by four sampling frame, my theoretical sampling of cases, the crafting of the key informant technique and its' use in conjunction with an interview guide, my collection of documents, the coding and memo writing of constant comparative analysis, the write up of my within and across case analysis, the fit of postulates from existing theory with the findings, the core concepts that

emerged through my research, and my rationale for closure. Finally, I address issues of methodological soundness (5.5), and conclude (5.6).

In chapter six (6) I present an analysis of socio-cultural rationalism. I demonstrate how rationalism occurs at the societal level (6.2) and at the cultural level (6.3), and how the combining of those two rationalising processes can produce different rational trajectories (6.4). My aim is to represent capitalism as a cornerstone worldview, indeed as a cultural marxist worldview, whilst acknowledging it is likely to differ from the worldviews of participants in the organisations. In the remaining subsections I highlight the variability of socio-cultural rationalising processes (6.4.3) and clarify the theoretical assumptions underpinning my cultural marxist perspective on social relations and orientations to work (6.4.4).

I move on in the following case chapters (7 through 10) to present the findings relevant to the level of organisation and work. I explore the fit of my cultural marxist perspective on capitalism with the worldviews extrapolated from the findings. In each case I represent the internal workings of the dominant worldviews, the interface between any competing worldviews, and whether the dominant worldview uphold instrumental rationalism or whether indeed instrumental rationalism has been ameliorated. And, I draw on my cultural marxist perspective to detail how those worldviews influence work participation.

My analysis of case findings culminates in chapter eleven (11) with the detailing of a model of 'willing instrumental' and 'willing social' work participation. In this model I synthesise concepts relevant to analysis at the levels of capitalism, organisation and work. I close this chapter with some notes on the literature I began with. Finally in chapter twelve (12) I address the limits of my study and point to further research.

1.5 Lead Into Literature Review

In the preceding chapter I profiled the research problem and outlined my own pre-theoretical notion of work participation. I argued a case for the significance of my research, before providing a preliminary explanation of the synthesised theoretical framework I chose to adopt. I also detailed the theory used to sample the organisations that I will study. Finally, I delineated the layout of my thesis, building an explanation of the links I make through each of the chapters. I turn now to the literature review.

CHAPTER TWO: CAPITALISM

2.1 Introduction

In chapter one I suggested traditionally marxist and more conventional sociology views on industrial organisation obscure the possibility workers may willingly participate in organisation and work and that they may do so on a non-coercive basis. I also suggested work participation tends to be based on individuated notions where there is little consideration of broad social orientations to work. I presupposed a form of work participation wherein workers seek self-expression and self-development and the attainment of social values. On this basis the tendency to obscure social collective orientations to work is problematic.

In my view neither traditionally marxist nor conventional sociological approaches provide an adequate framework for analysing the social dimension of willing participation. On the one hand, traditional theorists following Marx (1954, 1976ab) are concerned with the social and political consequences of work and organisation. This could be considered a moral concern. However, they tie their analyses of capitalism to economic instrumentalism and in doing so emphasise material orientations to work. Further, Weber (1947) ties his analysis to the limit case of economic instrumentalism and purpose rational orientations to work. In a similar manner marxists such as Lukacs (cited in Habermas 1984: 357), are concerned to highlight the domination of workers through subjective control. The belief is that worker subjectivity is reified into material products. As a consequence there is little or no scope for comparing willing and social work participation. The archetypal example is Braverman's (1974) postulate of the separation of conception and execution, or thinking and doing, and the reification of subjectivity into external and alien products or objects. In none of these traditionally marxist approaches is there theoretical space for the concept of willing and social work participation that I outlined earlier. On the other hand, classical theorists following Compte 1798-1857 (cited in Bock, 1987), and Spencer 1874-1896 (cited in

Turner, Beechley & Powers, 1989) acknowledge the importance of norms and morals but adopt frameworks that are too narrow for analysing broader bases of participation. Compte 1798-1857, for instance, took an acritical stance in his approach to sociological functionalism. He believed the more specialised the division of labour the more socially developed social norms would become. Likewise, Herbert Spencer 1974 (cited in Turner et. al, 1989) established the tradition of examining social structures but only in terms of their contribution to functional needs[6]. Similarly neo-evolutionists, such as Parsons and Luhmann (cited in Habermas 1979:179, 1987:205), acknowledge the importance of norms but fail to account for any deviations in consensual social norms. In my view and for my purposes, both traditionally marxist and classical sociological approaches exclude the theoretical possibility of willing and social work participation.

In this chapter I outline a cultural marxist framework that acknowledges the variability of the value basis of work participation under capitalism. This framework proposes that capitalism sustains work participation through the variable interconnection of interest structures and actualised value orientations. Moreover, it posits those interests and values can interconnect to sustain either 'willing and instrumental' or 'willing and social' work participation.

I begin this chapter with a preliminary definition of willing and social work participation and an outline of the levels of analysis relevant to industrial organisation. I also justify my theoretical stance (2.2). I then introduce the key concepts of industrial organisation: capitalism, organisation, and work (2.3). In the next three sections I present the synthesis of the literature on Capitalism adopted in my thesis (2.4, 2.5, 2.6). Finally, I discuss the advantages and difficulties of this approach (2.7). In chapter three I explore organisation and labour process literatures from the point of view of this framework.

[6] Spencer 1874-1896 believed that sociology should not be concerned with prediction of future events since there would always be unanticipated and unknowable empirical conditions that would influence the weights of variables and hence of outcomes. What was important was the discovery of the basic relations and the fundamental causes of phenomenon.

2.2 Willing and Social Work Participation in Industrial Organisation

Participation may be broadly defined as the degree of worker involvement in economic organisation. This involvement might be voluntary or coerced. It might relate to different dimensions of participation and also to different organisational levels[7]. The term willing and social work participation is used here in a very different sense.

By "willing participation" I mean the ability of people to adopt a broad rational calculus of means and ends and their ability to make rationalised choices concerning the value basis of their participation in work. This type of broader rational calculus is evident in Habermas's (1984: 237) typology of action[6]. There is no necessary link between instrumental or purpose rational action, and narrowed values. Instead the postulate is people can and do make rationalised choices about values. If, for instance, the interests of capital are imposed in a mechanistic and implicitly value neutral sense it seems probable that participation will be instrumental. It is unlikely, however, that all workers will voluntarily adopt the value neutral basis of capitalist interests. If, by contrast, workers are understood to be able to freely and willingly make value judgements about the interests they will sustain, then the variability of those values remains open to exploration. Based on this very simple and preliminary example, willing and social work participation is about the autonomy and freedom affecting the self-conceptions and orientations of managers and employees. Defined in this way, the concept of willing and social work participation provides a theoretical point of departure for my research.

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[7] For example participation aimed at increasing worker motivation and satisfaction (Mayo 1939, Hertzberg 1959); as the representation of diverse interests (Vaughan, 1986); or as a means of furthering industrial democracy (Ramsay, 1985).

[8] As West (1991) describes it, people make judgements, in light of moral principles, they employ criteria to sustain those principles, and they give reasons to justify their criteria, principles and judgments.

According to the cultural marxist framework I synthesis in this chapter, the dominant form of work participation under capitalism is willing and instrumental. The economic and political interests of capitalism are deemed the dominant interest structures. They are viewed as forming one half of the interconnection that sustains willing and instrumental work participation. The social value orienting capitalist action is deemed the dominant economic ethic. It can be social or collective in the sense it encompasses the sum of numerous individuated actions but it is not truly social as those actions combine to reflect the actualised value orientations of capitalistic enterprise. These value orientations are viewed as forming the other half of the interconnection that sustains willing and instrumental work participation. This specific interconnection of interest structures and values does not sustain broader value orientations. Nonetheless, a cultural marxist framework supports the proposition that interests and values can interconnect to sustain forms of work participation[9] that are either 'willing and instrumental' or 'willing and social'. In the latter case social values encompass numerous social actions that combine in a truly social sense to reflect the actualised value orientations of social communities[10].

I use the term industrial organisation to refer to three discrete but interrelated levels of analysis: capitalism, organisation and work. I acknowledge Weber's (1947) argument the essential features of capitalist enterprise exist across all of civilisation[11]. I also recognise his premise of four dominant but alternative forms of industrial organisation (Weber, 1978a). He argues that small business units and bureaucracies are characteristic of modern Western Capitalism, and that small-scale guilds and socialist co-operatives originated in the early

[9] Throughout the thesis I use the term work participation to refer to both 'willing and instrumental' and 'willing and social' forms of participation.

[10] See appendix C. Faifua (2001) 'A response to corporate culture and the dilemma of value actualisation: The radical implications of historical materialism, eclectic affinity, and ethical social action'. This paper was presented to the *19th Annual Labour Process Conference*. The sections on 'culture and the missing moralisation of motives' and 'rationalised choices' draw on assumptions from the cultural marxist perspective I adopt.

[11] According to Weber (1947:275-279) the essential features of capitalist enterprise involve fixed capital, formally free labour, the rational specialisation and combination of functions, and the allocation of productive functions - all of which are bound together in a market economy.

Middle Ages from the tenth to the thirteenth century and the early modern period from the fourteenth to the seventeenth century. Importantly, and for the purposes of my work, small-scale guilds and socialist co-operatives are still present today (Melnyk, 1985).

I did not arrive at these definitions easily. They are the result of my search for a framework for my pre-existing ideas on work participation. I began with the presupposition willing and social work participation could not be viewed in a functional or deterministic sense. Moreover, I believed people could and did resist structures of industrial organisation just as much as those structures could be circumscribed by participation. On this basis, my challenge was to find a theoretical approach that clarified the interconnectedness of action and structure and one that acknowledged the variability of a broader range of orientations for work participation.

2.3 Concepts of Industrial Organization: Capitalism, Organization and Work

Although there is no agreed upon synthesis of the classical literatures on capitalism I chose to follow a particular vein in critical social theory, in particular following the work of Habermas (1984, 1987)[12]. My literature review is based on a synthesis of the work of Karl Marx (1954, 1976ab), Max Weber (1947, 1978abc), and the ideas of George Mead (1934) and Emile Durkheim (1933) as revised in the work of Jurgen Habermas (1976, 1979, 1984, 1987, 1990). My approach could be considered foundational in the sense that I draw on classical sociological works to develop an overarching theoretical framework. I hope it will be seen in this light. I hope to demonstrate that each of these sociological works has made a discrete and valuable contribution to my understanding of the dynamics of Capitalism. Moreover, I believe, the resulting synthesis of the literatures provides a workable framework for the development of a dynamic model of work participation.

[12] I believe enlightenment remains the central task of critical social theory. The cultural marxist perspective embraces this task and acknowledges rationality as the cornerstone of social order. It is, however, an approach which stands in direct opposition to Foucault's thesis of the end of reason. See Foucault 1982. In my view Foucault's stance is nihilistic stance. On that basis, I do not address developments in the postmodern literature.

Moreover, I see the critical literature on capitalism as antecedent to the division of intellectual labour separating the work of theorists at the analytical level of organisation and work. Nonetheless, those latter perspectives remain important. If, for instance, willing and social work participation exists and the cultural marxist literature on capitalism suggests that it does, then these perspectives may have much to offer. Key works in organisation theory may contribute accurate accounts of the actions driving technical and economic rationalism. Comparatively, theories of work may provide insights into the political consequences of economic rationalism.

In the next section I introduce and critically consider the basic concepts and assumptions of the literature on capitalism. I detail the work of Karl Marx (1954, 1976ab), Max Weber (1947, 1978abc), and Jurgen Habermas (1976, 1979, 1984, 1987, 1990) to highlight the essentially economic, political and social premises of Capitalism and I detail the theoretical ramifications for work participation. Following this I return in detail to the synthesised cultural marxist framework I adopt for work participation. Finally, I examine the advantages and difficulties in advancing this framework. In chapter three I move on to illustrate how this framework guides my analysis of theories of organisation and work.

2.4 The Capitalist Mode of Production: Participation as Materialism

For the purposes of my research Marx's (1954, 1976ab) account of historical materialism provides an important point of departure. I am persuaded his work is premised on an abstraction of the conflicting social forces caused by material needs (Sayer, 1987). I am also convinced this essentially economic or materialist perspective provides important and lasting insights into the conditions of capitalism influencing work participation.

Marx (1954) is concerned with the historical development of modes of production[13]. He depicts two sides, the material and the social. The material side entails a labour process with elementary factors he believes is common to all modes of production[14]. Conversely, the social side he characterises as historically specific social relations. Slavery, patriarchy, serfdom, and capitalistic relations are examples of what Marx would refer to as social relations[15]. It is this social side that, for Marx, reflects the conditions of political economy as modes of production change over time.

Much of what I have gleaned from Marx's work I have taken from his account of Capitalism (C*apital* 1976a, *Appendix to Capital*, 1976b: 1019-1038). Marx's (1976ab) account builds on a theory of labour value and details two principle stages. These stages are seen to parallel the development of capitalism. The first stage, the formal subsumption of labour, involves the exchange relationship between capitalists and labourers[16]. At this stage "there is no fixed political and social relationship" (Marx, 1976:1028). The second stage, the real subsumption of labour, entails the development of social relations of supremacy and

[13] I am grateful to Turner (1993) my principal honours supervisor. Without her influence I may not have understood the work of Karl Marx (1954. 1976ab).

[14] Marx (1954:173-180) pre-supposes labour in a form that stamps it as exclusively human. The human elements of the labour process are: the personal activity of man in his work; the subject of that work, and; its instruments. Marx argues the labour process resolved into these simple elementary factors is human action with a view to the production of use-values; where the labour process is the necessary condition for affecting the exchange of matter between man and nature; and it is the everlasting nature-imposed condition of human existence, or rather, is common to every such phase.

[15] Marx (1954:173-180) tells us the social side of production entails the material side and this is discernable by historically specific social relations.

[16] Under the formal subsumption of labour, the capitalist takes over the process of production as director and manager and directly exploits the labour of others. An absolute surplus value is extorted through the exploitation of labour time and effort. This formal subsumption of labour is seen by Marx as based on personal relations which simply reflect the differing economic functions of capitalists and labourers (Marx, 1976:1019-1038).

subordination[17]. It is the latter that is viewed by Marx as the apex of the development of Capitalism.

This 1976 account of Capitalism provides me a characterisation of capitalist and labourer participation. In the first instance personal relations between capitalists and labourers typify participation. These relations are purely financial and begin with the exchange relationship, the purchase and sale between the owners of capital and the sellers of labour-power[18]. In the second instance, once there is a need to direct, supervise and intensify production, those economic and personal relations take on the social character of relations of supremacy and subordination. The relations between capitalists and labourers inform me work participation is in essence materially oriented but also socially conditioned.

I am also provided with insights into the specific nature of social relations and orientations to work. Although Marx (1976b: 1019-1038) distinguishes the social relations of capitalism from those of earlier modes of production, the distinction he makes is one of form. He argues, whereas the social relations of slavery, serfdom and other patriarchal modes of production are based on direct forms of compulsion, the social relations of capitalism are based on an indirect or obscure form (Marx, 1976b: 1019-1038). Social relations are, according to Marx, obscured by an ideal of free self-determination in exchange. This ideal is "unconsciously stripped of every patriarchal, political and even religious cloak" (Marx, 1976b: 1028). Capitalist social relations are on this basis only formally distinct from those

[17] Under the real subsumption of labour there are two further developments. A relative surplus value can be extorted once products attain a socially determined exchange value; a social value beyond the unit value of production. Moreover social relations of supremacy and subordination arise as a natural consequence of the need to supervise, direct and intensify production (Marx, 1976:1019-1038).

[18] This relationship is dependent on the 'conditions of labour' being alienated from the labourer; the capitalist is considered the owner of the conditions of labour (the means of production and the means of subsistence) and the labourer is seen as dependent upon the sale of his labour-power for those conditions (Marx, 1976:1019-1038).

of earlier modes of production. Moreover, it is materialism, which remains the driving force across all modes of production.

It follows there is no conceptualisation of free social individuals under Capitalism. This is because Marx's characterisation of capitalist and labourer participation is based upon an abstraction of socialised labour. Marx views capitalists and labourers collectively. They are for him mere constituents in the production of capital. They are two sides of the same process. They meet as the components of capital personified; the capitalist as the provider of money or 'capital' and the immediate producer or labourer as the provider of 'labour'. Furthermore, this socialised labour is a labour that is seen as subordinated to the totality of the process of producing capital or money. So, while the whole process may well emanate from the conscious will and particular purposes of individuals it entails a false ideology and it is a process which appears to capitalists and labourers as something objective; that is, as an alien and independent power which works external to them (Sayer, 1983:43).

Marx's account of capitalism indicates sobering limitations for my pre-theoretical notion of work participation. In Marx's account, participation is circumscribed by the parameters of a theory of labour value that is essentially materialist. Moreover, the will and purposes of individuals are conditioned by a false ideology and the materialist nature of a Capitalist political economy. In line with his account of historical materialism, I believe as Sayer (1983) does that, Marx intended to highlight the material aspect of human productive activity as it persists across historical time[19]. This materialism I acknowledge as an important and lasting dimension of work participation, but from a cultural marxist perspective it may be only one important dimension.

[19] Marx's (1954, 1976ab) stance is evolutionary, in that, he assumes the withering away of past modes of production and the transmutation of new ones. On this basis his categories are both historical and transhistorical (see Turner, 1993).

2.5 Modern Western Capitalism: Participation as Economic Rationalism and Political Status

In my view, Max Weber's work adds a political/institutional dimension to Marx's economic concept of production[20]. Weber underscores how the rational worldview is a system of life regulation. He believes this worldview is responsible for the release of the economic impulse. Moreover, he characterises the eclectic nature of this rationalised conception of the world, as well as the economic and political interests that sustained it. [I believe his work details how individuals and members of communities rationally sustain the materialist dimension of participation.]

In "*The Social Psychology of the World Religions*" Weber, 1922-3, (cited in Gerth & Mills, 1970) outlines rational configurations of the world of work or the worldviews that characterise past forms of economic organisation. A worldview is a rationalised conception of the world and of our way of life (Weber, 1922-3:281 cited in Gerth & Mills, 1970). He argues the economic and political interests of different strata have determined the features of those worldviews. Moreover, he suggests those interests are evident in a series of historically contingent but nonetheless decisive motives. Weber argues that when stamped by the unique character of a worldview, very similar forms of economic organisation have produced very different historical results.

Of particular relevance to my work is Weber's (1922-1923 cited in Gerth & Mills, 1970) postulate concerning the worldview of modern Western Capitalism. He posits a master-trend of rationalisation and disenchantment released the economic impulse, screening out past magical and religious worldviews. This master-trend involves the linking of technical and economic rationalism with a form of value rationalism. He argues technical and

[20] Gerth, H.H. and Mills, C.W. (1970) argue Weber struggled with the Ghost of Marx.

economic rationalism has been realised through the method of rational capital accounting[21]. This method is in his view a necessary but insufficient presupposition for Capitalism. In addition there has been ”disenchantment” or value rationalism; a progressive disintegration of past worldviews and a transition towards a worldview based on the capitalistic economic ethic[22]. It is the linking of technical and economic rationalism with the capitalistic economic ethic which he believes has released and sustained the materialism of modern Western Capitalism.

Although Weber posits a master-trend of economic rationalism he also recognises political restrictions can work to minimise the deleterious effects of capitalist and labourer relations. He claims, in addition to an expropriation of workers from the means of production there is an appropriation of rights to economic advantage and political status (Weber, 1947:275-279). These rights are appropriated in the sense that rights to economic advantage are transferable. He depicts four different possibilities of appropriation: the appropriation of opportunities for return by the individual worker, i.e. the case of free guild labour; the appropriation of opportunities for return by an owner, as in the case of slavery or unfree labour; the case where services for labour are treated as the subject of a contractual relationship, i.e. the case of formally free labour; finally; the case where return for services are appropriated by an association of workers (Weber, 1947: 233-236). Weber persuades

[21] Weber (1922-23:275-369, in Gerth & Mills, 1970) argues rational capital accounting is the determination of an enterprise's income yielding power by calculation, and in accordance with the method of modern bookkeeping. It entails, first, the appropriation of all physical means of production. Second, freedom of the market based upon an absence of irrational limitations on trading. Third, a rational technology and hence mechanisation of production. Fourth, calculable law, i.e. adjudication and administration. Fifth, free labour, defined as persons not only legally in a position but also economically compelled to sell their labour on the market. Sixth, the general commercialisation of economic life through the use of commercial instruments which represent share rights in enterprise and in property ownership. In composite, it must be possible to conduct the provision for needs exclusively on the basis of market opportunities and the calculation of net income.

[22] Weber (1922-23: 275-369 in Gerth & Mills, 1970) contends the primary motivation for disenchantment could not evolve in groups or civilisations bound by magic, but only in groups which held a special affinity with emissary religions and the concept of active asceticism. He claims with the subsequent disintegration of religious ideals and the transition towards the field of economics, active asceticism itself evolved into an economic ethic stripped of any religious significance.

me that both the economic and political interests of industrial organisation structure capitalist and labourer participation.

Weber also argues work participation is structured by social relations which are either formally free or free. The term social relations are used by Weber to refer to the meaningful behaviour of a plurality of actors (Weber, 1947:118). It is in market economies that we typically have formally free and free labour. In the first instance the services of labour are treated as the subject of formally free contractual relationships. Here workers may be employed in a budgetary unit or in the service of a profit-making entrepreneur. Weber's work suggests I could expect motivation would be on the basis of technical specialisation. In this instance incentives to work would be limited to direct wage incentives. I could also expect there may be incentive from absolute values, i.e. ethical values or values based on the high social esteem in which the work is held. I could also expect that people will be more likely to work on indirect but emotive or affective grounds if there is specialisation of work, for example in craft work. Finally, in some industries the motivations are likely to be determined by more traditional behaviour[23]. Similar motivations also apply to the case of free labour. In this situation, organisation is based on small-scale, guild proprietorship or socialist co-operatives. In these instances, Weber suggests labourers can rise to the status of owners of both the means of production and attains rights to economic advantage. It is also here that Weber (1947) posits the strongest incentives for willingness to work.

[23] These contingent motivations are based upon Weber's (1978a) classification of rationalised social actions: (1) it can be purpose rational in the sense of employing appropriate means to a given end: that is, the agent may use his expectations of the behaviour of external objects and other human beings as 'conditions' or 'means' to achieve as the outcome his own rationally pursued and calculated purposes, (2) rational in the sense that it is an attempt to realise some absolute value: that is, the agent may consciously believe in the unconditional intrinsic value, whether ethical, aesthetic, religious or other, of a particular sort of behaviour purely for its own sake and regardless of consequences, (3) affectively (and inparticularly emotionally) determined, that is, the result of current emotional impulses and states of feeling, or (4) traditional behaviour, the expression of settled custom.

Ultimately, Weber postulates economic and political interests determine in a contingent manner whether social relations are formally free or free. On that basis, the profit motive could be released either in the interests of capitalists or for the benefit of an economic community. Illustration 1.1 below reflects how numerous individual actions could combine for the betterment of an economic community.

Illustration 1.1 Weber's Social Relations in Market Economies

a) Entrepreneurial Units **b) Bureaucracies**	**c) Small Scale Guilds** **d) Socialist Co-operatives**
Ownership of means production held by capitalist	Ownership of means of production held by labourers
Rights to economic advantage held by capitalists	Rights to economic advantage held by labourers
Release of profit motive for capitalist	Release of profit motive for community of workers
Formally free labour	Free labour
Limited incentive	Strongest incentive

for labour to work for labour to work

Source: Abstracted from Weber (1947) *The Theory of Social and Economic Organization*. Translated by Henderson, A.M. and Parsons, T. Edited with an introduction by Talcott Parsons. The Free Press, New York.

The instance of free labour and the release of the profit motive for the benefit of a community of workers is less typical of industrial organisation. From a weberian perspective the ultimate effect of economic rationalism is to screen out traditional and affective rationalities as well as other possible absolute values or social ethics. So although different attitudes toward the pursuit of material gain my contingently exist there is more likelihood of materialism being sustained by individuated interests and the capitalistic ethic.

Although Weber's (1978abc, 1922-3, 1947) stance is historically contingent and anti-evolutionary I believe his work details how one worldview, the rational worldview - albeit affected by political restrictions, sustains the materialism of modern Western Capitalism. This is an important theoretical development even if, for my purposes, there remain sobering limitations for my pre-theoretical notion of work participation.

At this point I move on from the work of Marx and Weber. In the following subsection I pick up the threads of my analysis on the literature on Capitalism by exploring the socio-cultural perspective of Jurgen Habermas (1976, 1979, 1984 & 1987, 1990)[24].

2.6 Institutions of Capitalism: Participation Instrumental or Social

In my view Habermas's work represents a turning point in critical social theory. He takes apart the respective frameworks of Marx and Weber and puts them back together in a form he believes is workable for the project of enlightenment[25]. On this basis, his social and

[24] Although I draw heavily on Habermas 1984 & 1987, I also include material from Habermas 1976, 1979, 1990.

[25] In line with ideas from the Frankfurt School, Habermas links economic, political and social premises within a critical social theory framework. Furthermore, as Burrell (1994) argues, Habermas believes the rational subject remains the primary vehicle for progress and liberalism in Western society.

cultural perspective is an attempt to transcend the negative dialectics of critical social theory. Moreover, his modifications are based on an acknowledgement of the anthropological supposition of social and cultural differentiation (Habermas, 1979). In my view, the resulting perspective provides a suitable framework for work participation.

Habermas's stance has a number of connotations for historical materialism and economic rationalism. In the first instance, Habermas (1979) recognises the Marxian dialectic of productive forces and productive relations, but he believes productive relations are socially and culturally determined and can follow their own developmental logic. This leads to the supposition of an interdependent relationship between productive forces and productive relations, rather than a dialectically unified one. Further, he views productive forces as problem-generating mechanisms that trigger and bring about new productive relations, if and where there has been a concurrent evolutionary development in the domain of cultural values. In the second instance, Habermas (1984) acknowledges Weber's master trend of economic rationalism and the motivational anchoring of ideals in actions systems. However, Habermas is interested in the broader complex of potential ideals and action systems open to rational conception. He believes Weber is solely interested in an ideal that has ethically neutralised the action systems of modern Western Capitalism. On that basis, Weber's work highlights the individuated interests and instrumental values that result from purpose rational action, but fails to explain why the transition from traditional to modern society had to follow this particular path of value neutralisation. From the point of view of my research on work participation, Habermas highlights the distinctiveness of the analyses offered by Marx and Weber but emphasises in his own work the historical loss of social values.

Based on Habermas's (1984 & 1987) work, Capitalism entails dual social and cultural rationalising processes. On the one hand, Habermas reformulates the marxian abstraction of systemic imperatives as the interest imperatives of the material reproduction of everyday life

(White, 1988), and adopts this in his own work as the basis of societal rationalisation. On the other hand, he reworks the weberian idealist emphasis on symbolic or ideal reproduction as the intrinsic morality and collective consciousness of individuals and groups, and adopts this in his own work as the basis of cultural rationalisation. In this way, he develops a perspective that posits an internal relationship between the interest structures of modern capitalist society and the values that sustain worldviews. From this perspective, societal rationalisation is dependent on values developed at the level of cultural worldviews, and cultural rationalisation requires the transposition of culturally stored knowledge into the life conduct of individuals and groups and social orders.

Habermas (1984:143-157) highlights the difference been formal and substantive types of rationality and at the same time their co-dependence. He argues formal rationality may indeed be measured by the content of material and ideal interests. However, the rationality of values must be recognised in its own right and measured on the basis of whether it grounds a mode of life or a social order.

My concern of course, is with Habermas's postulate of the development of ethically neutralised societies (1987:153-198). From my reading of Habermas's work, I am informed societies with a low degree of differentiation reflect system mechanisms that remain tightly interwoven with social integration mechanisms. However, the transition from traditional to modern society entailed a first order differentiation process whereby the complexity of the rationalised system of interests increases, and a second order differentiation process whereby that system lost its integrating capacity. In the first instance, our highly differentiated and complex capitalist society reflects the economic and political interests of exchange and power. In the second instance, the economic ethic that underpins the capitalist concept of wage and labour is instrumental or ethically neutralised and fails in its integrating role. Hence, money and power become objectified as norm free or value free

structures and there is a peripheralisation of all other non-conforming attitudes and values, e.g. social or community values.

According to Habermas the capitalist social system becomes so instrumentalised that it succeeds in unleashing economic and political interest imperatives but loses its social integrating capacity. Moreover, higher levels of social integration cannot be established until modern legal institutions develop a critical evaluation of integrating values social principles[26]. For example, an economic crisis places in question the redistribution of economic interests. In the political domain this is transformed into a crisis given the failure to reconcile interest imperatives. This crisis is subsequently converted into a crisis in the social domain, which is directly a value crisis for participants. In this way, the system fails to develop the values necessary for political participation and motivation in employment (Habermas, 1976: 6).

Habermas's postulate of ethically neutralised societies highlights the importance of principles of social integration and their role as the social values that integrate industrial organization. In my view, this postulate also provides an explanation for the suppression of broader orientations to work and for the historical loss of values of social responsibility and community.

In a critique of Weber's work, Habermas (1984:143-157) builds a model of socio-cultural rationalism distinguishing between system imperatives and ideal reproduction. He takes up the argument that rationalism 'itself' can mean very different things. He notes Weber

[26] Habermas (1987:153-198) argues, in archaic societies the system mechanisms of exchange and power were linked to structures of social integration via the institutional complex of kinship relations. In traditional societies the system mechanism of power has become linked to structures of a political order and legitimated via worldviews which take on an ideological function. Further, in modern societies the system mechanism of money is detached from worldviews in the sense that it is an ethically neutralised system and institutionalised in forms of bourgeois private law. Habermas therefore considers the capitalist economy a block of more or less norm-free sociality.

differentiates rationalism on the basis of formal and substantive types. Formal rationalism refers to an instrumental rationality of means combined with a rationality of choice in the setting of ends and it entails the rationalised interests of people. Substantive rationalism refers to the orientation of an absolute value. Further, he emphasises how for Weber, the two are inextricably linked. He argues, in Weber's framework economic and political interests are co-ordinated and sustained by an instrumental economic ethic or value. The formal rationalism of interests is inextricably linked to a substantive rationalism of values. Consequently, individuated interests are co-ordinated with instrumental values (see illustration 1.2, below).

Illustration 1.2 **Weber's Framework Of Social and Economic Rationalisation**

Formal Rationalism as Rationalised Interests	Economic Interests	Political Interests
	---	---
Substantive Rationalism As Rationalised Values	Instrumental Values	

Source: Abstracted from Habermas (1984) The Theory of Communicative Action: Vol. 1. Reason and the Rationalisation of Society. Heinemann, London. pp.143-157.

Habermas wants to move beyond Weber's limited conception of rationalism. In his view 'purpose rationality' as a rational interest has been mistaken hypostasised as a value. To remedy this conflation Habermas makes a clearer distinction between interests and values. Whereas formal rationality may indeed be measured by the content of economic and political interests, he contends that the rationality of values must be recognised in its own right and measured on the basis of whether it grounds a mode of life or social order. Moreover, Habermas argues interests and values are not inextricably linked but rather may interconnect in variable ways.

In Habermas's framework economic and political interests are co-ordinated and sustained by variable values. Although, the formal rationalism of interests is stabilised through the interconnection of substantive values, those values can vary. Values can be instrumental and co-ordinated with interests to result in non-social action. Values can also be social and co-ordinated with interests to result in social action (see illustration 1.3, below).

Illustration 1.3 Habermas's Framework Of Social and Cultural Rationalisation

Formal Rationalism as Rationalised Interests	Economic Interests	Political Interests
	==========	
Substantive Rationalism As Rationalised Values Either Instrumental or Social	Instrumental or Social	

Source: Abstracted from Habermas, J. (1984) The Theory of Communicative Action: Vol. 1. Reason and the Rationalisation of Society. Heinemann, London. pp.186-215.

Consequently, Habermas (1984: 186-215) views the rationalisation and disenchantment of modern western capitalistic society from the perspective of simultaneous societal and cultural rationalising processes. He contends, while interest positions may change, it is only through values which are abstracted, generalised, internalised and applied procedurally that is possible to orient action across particular situations. Moreover, in the extreme case such values have the potential to systemically penetrate all spheres of life and bring an entire history of social groups under a unifying principle and social order.

Like Weber, Habermas presupposes civilised individuals have needs directed toward satisfaction. These needs entail material interests directed to external worldly goods like prosperity and security and ideal interests like grace and status. However, unlike Weber, Habermas conceives of social orders from two sides. On the one side, social orders regulate both material and status interests, e.g. the accumulation of wealth and the attainment

of status. On the other side, social orders also require the actualisation of values. Further, interests can only be satisfied if they are connected with values that serve to provide the reasons for them, while values in turn cannot establish themselves if they are not connected with interests that supply them with power.

For the purposes of my work, work participation can be characterised from the point of view of Habermas's framework of socio-cultural rationalism. Habermas (1984:216-241) informs me instrumental rationalism is an objective form of rationalism. He proposes instrumental rationalism is typically interconnected with a substantive rationalism that is ethically neutral. He suggests value rationalism is typically reflected through attitudes and values based in reactionary cultures. According to Habermas, formal rationalism and substantive rationalism dominate in a kind of division of labour that prevents broader social values from being co-ordinated into social actions.

Habermas (1987) draws on Mead's (1933) theory of the socialisation of individuals (1933) and Durkheim's (1934) theory of normative consensus to develop the concept of intersubjective rationalism. Through this concept he acknowledges the possibility of a broader value basis for organisation. Habermas highlights the theory of meaning in Mead's (1933) work, whereby one agent assimilates and internalises the meaning of the other through communication. This clarifies for Habermas the intersubjective relationship of agents and indeed the development of socialised individuals. In addition, he adopts a second line of reasoning from Mead's work; the pressure to adapt that participants in complex interactions exert upon one another. He extends this to include the attitude of addressing the other. Agents are then viewed as either exerting influence on one another or as non-coercively giving another something to understand. This explains in Durkheimian (1934) terms how individuals take on the moral perspective of the other and how they determine autonomously whether to follow or violate the established norms of society. Individuals on this basis have

the ability to shift from one rationalised conception of the world or worldview to another[27]. Furthermore, Habermas argues it is communicative action or discourse and the reaching of understanding through intersubjective rationalism that is the switching station for reconciling opposing worldviews. Habermas's work (1976, 1979, 1984 & 1987) indicates individuals can and do have social conceptions of self at work. This conception can entail self expression and self development. Habermas's work also acknowledges people as free social individuals, capable of making judgements about the value basis of their own participation.

The Weberian-Habermasian framework of social and cultural rationalism also informs me it would be wrong to oppose bureaucracies and small business units to socialist co-operatives and small scale guilds, seeing the former as economic groups and the latter as moral communities, when the former and latter should be characterised by the variability of their structures and their intrinsic morality (Habermas, 1987: 116). In bureaucracies and small business units I could expect value orientations to be reduced to instrumentalism, and in small-scale guilds and socialist co-operatives I could expect value orientations to be expanded to social ethics. In my view, this framework provides a workable comparative basis for analysing 'willing and instrumental' and 'willing and social' work participation in alternative forms of industrial organization (see illustration 1.4, below).

Illustration 1.4

[27] Habermas (1984:272-337) claims Weber draws on a model of social action that cannot distinguish between cultural values and cultural action systems. Weber's postulate of ideals and actions is on this basis limited to an analysis of an ideal that anchors purpose rational actions. It cannot, therefore, explain cultural values of social responsibility but is biased by the limit case of an ethic of economic conviction.

Orientations To Work	**Habermas's Social Relations in Market Economies**	
	Formally free labour	Free labour
Instrumental values	Bureaucratic budgetary unit	Entrepreneurial unit
Social values	Producer cooperative	Worker cooperative

Source: Abstracted from Habermas, J. (1987) The Theory of Communicative Action: Vol. 2. The Critique of Functionalist Reason. Polity Press, Cambridge. p.116.

Whereas Marx's work is both historical and evolutionary and Weber's work is historical and anti-evolutionary, Habermas aims to avoid *a priori* assumptions about history and evolution. He posits a framework that can be used to detail the rationalised choices people can make about the value basis of work participation in dominant forms of industrial organisation[28]. Moreover, it is a framework, which accentuates the evolutionary potential of socially guided forms of industrial organisation.

2.7 A Cultural Marxist Framework

[28] This comparative frame of dominant forms of industrial organisation fits with Weber's (1978a: 335) argument; bureaucracies, entrepreneurial units, small scale and socialist guilds are characteristic of modern western capitalism. It also fits with Edwards's (1979) account of the historical evolution of dominant forms of industrial organisation. Edwards divides industrial organization into competitive and monopoly sectors and argues they arose at different stages in the development of American capitalism.

In line with a cultural marxist perspective I have explored the economic, political and social premises of Capitalism, as they relate to work participation. I have argued Karl Marx's (1954, 1976ab) work provides important insights into the economic or material interests inherent in capitalist and labourer relations. I believe this materialism is an important and lasting dimension of work participation. I have also argued Max Weber's (1978abc, 1922-23, 1947) work details how the rational worldview sustains the materialism of modern Western Capitalism. Finally I have argued Habermas's work, particularly his work of 1984 and 1987 represents a turning point in critical social theory. I have detailed the significance he places on the separateness but interconnectedness of the social and cultural domains of Capitalism. I have also highlighted his postulate of ethically neutralised societies, and demonstrated the social action framework he adopts to acknowledge worldviews can be underpinned by instrumental or social values. The developments in theory I have synthesised show work participation can be either 'willing and instrumental' or 'willing and social'.

The socio-cultural perspective of Habermas acknowledges the importance of economic and political interests as delineated by Marx and Weber but highlights the importance of social values. The overarching framework suggests the economic and political interests and the ethically neutralised values of Capitalism interconnect to sustain willing and instrumental forms of work participation. It implies as the complexity of the economic and political interest structures has increased, social values have become more instrumental and, on that basis, capitalism has lost its integrating capacity. Nevertheless, support has been given for the proposition that economic and political interests and social values can interconnect to sustain forms of work participation that are either 'willing and instrumental' or 'willing and social'.

2.8 Advantages and Difficulties of a Cultural Marxist Framework

In my view the cultural marxist perspective put forward in this chapter has a number of advantages over both traditional marxist and classical sociological approaches. I will deal with the advantages first and then consider some of the difficulties, which arise in applying this framework.

First and foremost, a cultural marxist framework proposes a dynamic framework that argues for a balanced recognition of the objective-instrumental, intersubjective-normative, and subjective-value rationalities. These rationalities reflect the three levels of society, culture, and individual. By contrast, in traditionally critical marxist approaches there is an overemphasis of objective-instrumental rationality, a lack of acknowledgement of intersubjective-normative rationality and a subordination of subjective-value rationality. For instance, Marx links objective-instrumental rationality and subjective-value rationality (Bhaskar, 1979)[29], and marxists such as Lukacs[30] denote subjectivity-value rationality as the reverse of objective-instrumental rationality (Habermas, 1984:237). Further, Weber ties his analysis of Capitalism to the limit case of objective-instrumental rationality. Comparatively, in more conventional sociological approaches there is an overemphasis of objective-instrumental rationality, narrowed accounts of intersubjective-normative rationality, and limited accounts of subjective-value rationality. For instance, Compte 1798-1857 (cited in Bock, 1987) and Spencer 1874-1896 (cited in Turner, Beechley and Powers, 1989), attempt to link objective-instrumental rationality with intersubjective-normative rationality in their work on structure and function, but do not acknowledge subjective-value rationality. Neo-evolutionists such as Parsons and Luhmann (cited in Habermas, 1979: 179 & 1987: 204) link objective-instrumental rationality to subjective-value rationality and fail to account for deviations in intersubjective-normative rationality. In my view, both traditionally critical marxist and more conventional sociological approaches over emphasise objective-

[29] I am persuaded by Bhaskar (1979: chp2) that Marx adopts a transformational model of people and society, in which objectivity and subjectivity remain unified.

[30] Here I distinguish between sociologists who adopt a marxist perspective and Karl Marx himself.

instrumental rationality, whilst the approach of Habermas reflects a balance of society, culture and individual rationalities.

Habermas's dynamic model of rationality encompasses three domains: the subjective-value domain, the intersubjective-normative domain, and the objective-instrumental domain (Habermas, 1984: 237). Habermas suggests we can think of rationalisation as subjective-values at the level of personality combined with intersubjective-norms at the level of culture and objective-instrumental interests at the level of society. Where there is a subordination of one of the rational domains the explanation may be either a society-specific or culture-specific exploitation. For Habermas it is the role of subjective-vales that is of utmost importance. For example, in the case of economic rationalism an ethic or value of economic conviction at the personal level has been combined with norms at the level of culture and with economic and political interests at the level of society. Based on Habermas's model this would reflect a culture-specific exploitation given subjective-values at the level of personality have been narrowed to an economic ethic. Implicit in his stance is the premise societies and cultures reflect our own internal values. In terms of work participation this broader framework of rationality can be used to explain the screening out of broader social values. Moreover, this is achieved without falling prey to *a priori* assumptions about Capitalist society.

Second, but of equal importance, is the notion rationality can be recast and rethought (Habermas, 1990: 130. Although Habermas clearly recognises the dominance of two series of rational imperatives; objective-instrumental and subjective-value rationalities, he posits intersubjective-norms provide the domain for reconciling those imperatives. He argues communicative reason (1984 & 1987) can be seen to offer a new principle of sociation, one that ought to be used to recast social and moral development. In his view, the objective-instrumental reason which dominates in Capitalist societies is in no way a predetermined

outcome but rather open to change. For him, communicative reason is a discourse ethics through which the moral basis of actions can be recast and rethought.

Many of the difficulties that arise in applying a cultural marxist framework stem from a general disbelief in recovering the enlightenment project. The enlightenment project promised emancipation from myth, traditional values and authoritarian ideals (Alvesson & Deetz, 1996). The downside has been the trajectory of economic rationalism and the negative impact on social orders. This general disbelief is reflected in the positions of writers from other intellectual precincts. Some come from positions which reject the use of classical sociological ideas (e.g. Clegg and Couleau, 1992), some from traditionally critical stances (e.g. Alvesson and Willmott, 1992), others from the conservative stance of organization theory (e.g. Donaldson, 1985, 1987). Others simply reject the possibility reason can act as the moral guardian of social development (Foucault, 1970, 1977 and Derrida 1978, 1981).

However, the decisive problem for my research is how industrial organisation can sustain willing participation. Traditionally critical approaches tend to assume a division of labour from which arises a functional specification of work and conflicting interests. More conventional sociological approaches emphasise functional specification and these have been outlined earlier. For now, I wish merely to suggest perhaps it is not the concept of the division of labour that is wrong but only that it tends to be worked up in one-dimensional ways[31]. From the point of view of a cultural marxist framework the notion that rationality is either objective-instrumental or subjective-value reflects one-dimensional and rigid understandings of the person/society connection. On this basis, it could be more realistic to see the division of labour and the contrast of conflicting interests as stemming from

[31] Dawe (1978) provides an overview of the many theories of social system and social action that have been theoretically derived from the concept of the division of labour.

incompatible and competing worldviews. These worldviews compete with each other drawing, they draw on value orientations that require an interconnection with structured interests before they can be realised. Furthermore where the interests that are worked up reflect external relations between agents without an intersubjective-normative basis, they are likely to be superficial in nature. According to Habermas (1987:116) "There is nothing less constant than interest". Hence for work participation to be sustained there has to be a working up of intersubjective-normative rationality.

The cultural marxist framework points in the direction of a model of work participation that fits with neither traditionally critical nor more conventional sociological approaches. The framework is a difficult one to advance yet it is a direction open to exploration and which in my view provides a workable framework for acknowledging not only willing and instrumental work participation but also willing and social work participation.

My aim in the next chapter (three) is to examine the academic division of labour between organization and labour process theory, and to illustrate how the cultural marxist framework put forward in this chapter shapes analysis at that level.

CHAPTER THREE: ORGANISATION AND WORK

3.1 Introduction

Previously I argued industrial organisation refers to three discrete but interrelated levels of analysis: capitalism, organisation and work[32]. In chapter two I presented a synthesis of the work of Marx (1954, 1976ab), Weber (1978abc, 1922-3, 1947) and Habermas (1976, 1979, 1984, 1987, 1990). From that synthesis I derived the following cultural marxist postulates: Capitalism is premised on economic and political interests and social values that are dynamic and interrelated; further, in the transition from traditional to modern capitalism these interests and values have interconnected to sustain willing and instrumental forms of work participation. Nonetheless, support is also given for the proposition economic and political interests and social values can interconnect to sustain willing instrumental and willing social forms of work participation. I adopt that cultural marxist synthesis as a theoretical backdrop when reviewing the literature on organisation and work.

In this chapter I acknowledge but modify Scott's (1992) schematic outline of theories of organisation and work[33]. I draw on this modified outline to explore the intricacies of my theoretical framework. I highlight the dominant and complementary approaches in organisation theory, and the competing perspectives in theories of work. I suggest theories of organisation and theories of work can be seen as competing worldviews. Indeed, they present two very different conceptions of organisation and work. The dominant and complementary approaches in organisation theory I group together, and the perspectives on

[32] Chapter 2. Section 2.2.

[33] Scott's (1992) schematic outline of 'organisation and work' can be used to demonstrate the cleavage of theory I refer to. He posits three major perspectives in organisation theory: rational, natural and open. The rationalist perspective draws on Weber's notion of economic and technical rationalism and is considered the orthodox view. Natural and open systems perspectives are seen to augment the original body of organisation theory. In Scott's outline contemporary marxist or labour process perspectives (following the work of Braverman 1974) are considered a variation, albeit a critical one, of the naturalist perspective.

work I treat separately. Like many writers I am not absolute about the dominance of one approach over another. Burrell and Morgan (1979) recognise mutually exclusive views on organisation and work. Similarly, Hassard and Pym (1990) acknowledge a diversity of perspectives. Further, Reed (1988) suggests a deepening of the dialogue between perspectives may be useful.

I introduce the literature on organisation and work as two important theoretical divides (3.2). I point in a preliminary way to my representation of theories of organisation and work as economic and political worldviews (3.3). Next I demonstrate the economic contours of rational and natural organisation theories (3.4 and 3.4.1), and the political contours of radical theories of work (3.5). Following this I highlight the limitations of social action in those two approaches (3.6). Then I pick up the thread of my cultural marxist stance to propose a model of social action I believe fills that theoretical gap (3.7). Finally, I turn now to a consideration of the implications of Habermas's (1984) broader model of social action for willing and social work participation, and indeed for the competing perspectives on organization and work (3.8).

3.2 The Dominant View on Organization and Work

From my adopted position the dominant view on organisation is the rational approach. Much of what we understand about organisation stems from theoretical accounts that consider three important elements of organisation: environment, structure, and technology (Bohman & Deal, 1984). Furthermore, the natural perspective complements the rational approach while the radical perspective competes with it.[34]

[34] Bryman (1984) provides a similar overview, in which he highlights the links between rational, natural and radical approaches. In this overview he also notes the broader approaches of Pfeffer (1977) and Weick (1969).

The rational and natural perspectives have in common an interest in economic organisation. They draw on the classical weberian theme of purpose rational action but attempt to move beyond classical concepts of formal organisation. I suggest the economic focus is of paramount importance irrespective of the differences in the theoretical accounts of organisation they provide, e.g. ranging from the theory of scientific management (Taylor, 1911) through to images of organisation (Morgan, 1986). The natural perspectives reinforce the position of the rational perspectives. They provide accounts of the social and informal aspects of organisation in a complimentary manner. Organisations are viewed not only as economically and technically determined associations but also as collectives of people who have common interests in the survival of the organisation. For instance, Chester Barnard (1938) highlights the willingness of participants based on a commonality of interests. Mayo (1945) is also a proponent of this understanding of organisation and work[35].

By contrast the marxist or radical perspectives have an interest in organisation but from the point of view of the political consequences for work. Radical perspectives tend to be derivatives of marxian theory. They draw on the marxist notion of domination and argue economic organisation is characterised by groups or classes of people with conflicting interests (See Braverman 1974, and Burawoy 1985). Radical theorists often acknowledge the primacy of rational and natural perspectives but inevitably a critical perspective.

Viewing the literature in this way enables me to highlight two very different rationalised conceptions of the world of work and our way of life. I refer to these very different conceptions as competing worldviews. In a very general sense I separate these into the rational and natural worldview on organisation and the radical worldview on work. I combine the rational and natural worldviews together because they sustain an interest in

[35] These definitions of the social dimension of organisation are distinctly different to the definition of the social dimension acknowledged in my adopted cultural marxist approach.

economic organisation. By contrast the radical worldview sustains an interest in the political consequences of work.

3.3 Economic and Political Worldviews

From my adopted position, organisation and work exists in the context of Capitalism. In the following major sections I highlight the economic emphases adopted in theories of organisation and the political emphases adopted in theories of work. I call these competing perspectives worldviews and argue neither provides adequate accounts of social action. To this end, I draw on Habermas's (1984, 1987) work to demonstrate a model of social action that compares instrumental values and interests and their co-ordination in non-social actions with social values and interests and their co-ordination in social actions. In the next three sections I provide a preview of the literature on organisation and work.

3.4 Rational Approaches: Instrumental or Purposive Rational Organisation

Early rational organisation theory is often viewed as a derivative of Max Weber's writings on rational organisation and bureaucracy (see Grusky & Millar 1981, Scott, 1987). I believe this is essentially correct. In this section, I briefly outline Weber's (1922-23, 1923, 1947) suppositions on rational and non-rational organisation before examining the ways in which early and more contemporary writers adopt irrational concepts.

In *General Economic History: The Origin of Modern Capitalism,* Weber (1923: 275-369, part four) posits rational capital accounting is the most general presupposition for modern western capitalism. He contends although Capitalism of various forms has existed in all periods of history, the method of rational capital accounting has been the dominant influence leading to the emergence of western Capitalism[36].

[36] See chapter two, footnote 24, for a full explanation of rational capital accounting.

According to Weber (1923), rational capital accounting is the determination of an enterprise's income yielding power. This, he argues, is achieved by calculation and in accordance with the method of modern bookkeeping. He posits some central components:

1. Appropriation of all physical means of production by the capitalist.
2. A free market based upon an absence of irrational limitations on trading.
3. A rational technology and hence a mechanisation of production.
4. Calculable law, i.e. adjudication and administration.
5. Free labour, defined as persons not only legally in a position but also economically compelled to sell their labour on the market.
6. The general commercialisation of economic life through the use of commercial instruments that represent share rights in enterprise and in property ownership.

In composite, Weber argues Capitalism emerged through the provision for material needs and on the basis of market opportunities and the calculation of net income.

Correspondingly, in *The Social Psychology of the World Religions*, Weber (1922-3: 237-268, vol. 1, translated in Gerth & Mills 1970: 267-301) argues this rationalised conception of the world and its triumph in modern Western Capitalism is to be explained by a transition towards bureaucratic legal authority. He posits three ideal or pure types of belief: the charismatic, traditional and bureaucratic legal forms of authority[37]. For Weber, it is disintegrations and transitions in belief towards the latter type of bureaucratic legal authority

[37] Charismatic authority is legitimated by a belief in and devotion to the extraordinary quality of a specific person. As such, it is characteristic of magical sorcerers, prophets and warriors, and modern leaders. Further, it is not managed according to a general norm but according to concrete revelations and inspirations. Charismatic authority is thus irrational in the sense that it is not bound by an existing order. Traditional authority, by contrast, rests upon a belief in piety for what actually, allegedly, or presumably has always existed. It is characteristic of patriarchal society where the father, husband, or lord, etc., arbitrarily judge in terms of personal relations. In this respect traditional authority is also irrational. Both charismatic and traditional authority, are viewed by Weber as innovatory types of authority bases. Each, for example, can integrate new rules into a circle of ideas. Both, however, also eventually succumb to the development of routinised practices and in this sense they typically succumb to processes of bureaucratic legal authority.

that typifies the historic development of the modern western way of rationally viewing capitalism[38]. Based on Weber's (1923) account of the transition from past to present conceptions of economic organisation there have been irrational and rational ways of conceiving of the world and our practical way of life. Ultimately, though, he posits two types of rationality, an instrumental or purpose rationality of means combined with choices in the setting of ends, and a substantive or value rationalism in the form of an economic ethic. He argues these types of rationality have come to dominate in modern western society.

In terms of early rational organisation approaches (e.g. Taylor, 1911; Fayol 1945; and Simon 1945) the ideas of bureaucratic rule and rational administration have been important. These early approaches draw on classical weberian concepts to highlight the importance of formal organisation structures, means-end decisions, and enhanced efficiency. Furthermore, organisations are generally conceptualised as instruments or tools designed to achieve specific goals. Early contributions to rational organisation theory include Taylor's (1911) work on scientific management, Fayol's (1919) theory of administrative management, and Simon's (1945) account of administrative behaviour. As suggested earlier, like Max Weber, these writers emphasise instrumental or purposive rationality[39].

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[38] In Weber's (1922-3) view, the historic motivation for bureaucratic legal authority arose through the general political struggle for status prerogatives. He claims, original charismatic communities tended to live off donations and the booty of war and as such were specifically alienated from the economic order. However, with the transformation of communities into a stratum of aids for the ruler, the staff derived a legitimate claim to personal rights. Accordingly, there arose struggles between political groups over the appropriation of such rights. Furthermore, the development of power and the expropriation of status prerogatives everywhere signified the possibility and often the actual introduction of bureaucratic rule and it's rational administration.

[39] There is, of course, a difference between Weber's work (1923, 1947) and rational organization approaches. Dawe (1983), for instance, argues the problem which Weber foresaw, and the problem which many believe remains, is not how to promote or enhance economic rationalism but how to oppose it. Weber's aim was, therefore, to keep mankind free from the mastertrend of technical and economic rationalism. By contrast, rational approaches are not concerned with the broader societal consequences.

More contemporary rational organisation approaches have retained the focus on instrumental or purpose rationality and have acknowledged the increasing importance of environmental uncertainty. As such they view rational organisations as operating in open systems (Scott, 1992:102). For instance, March and Simon (1958) combine notions of rational organisation and open systems in their account of bounded rationality. Lawrence and Lorsch (1967) adopt a contingency stance, proposing a match between environment and organisation structure. Other researchers, Udy (1959), Blau (1955) and Pugh (1963 et.al.) study the variability of formal organisation structures. Furthermore, Williamson (1975, 1881) and Williamson and Ouchi (1981) study the relationship between formal organisation structures and the type of transactions being governed in organisations.

From my position, rational organisation approaches highlight the ongoing dominance of instrumental or purpose rationalism. In addition, there are three key elements of organisation - formal structure, technology, and environment - which as Bohman and Deal (1984) have argued remain significant in the ongoing development of organisation theories.

3.4.1 Natural Approaches: Non-rational and Complex Organisation

Natural perspectives are often viewed as attempts to move beyond limitations of the formal concepts of rational organisation. They gain their significance through the contrasts they make between rational, non-rational and more complex behavioural accounts of organisation. In my view, they do so in much the same way as Weber (1923) counter poses the rational and non-rational conceptions of past forms of economic organisation, although this aspect of Webers' work is not often recognised.

For instance, early natural perspectives highlight the importance of the informal and social or non-rational aspects of organisation. Yet, they focus on how those non-rational aspects of organisation satisfy or deter the goals of efficient organisation. Mayo 1933 (cited in Grusky & Miller, 1970: 406) conceptualises informal organisation on the basis of non-rational,

emotional and sentimental aspects of human behaviour so as to consider the effect on rational organisation. According to Mayo (1933) people are functionally motivated by social as well as economic rewards. Another writer, Barnard 1933 (cited in Grusky & Miller, 1970: 84-97) argues organisation exists through communication, willingness to cooperate and a common purpose. He suggests it is these influences that determine the functions of executives. Like Mayo (1933) he emphasises the function of people in organisations. Furthermore, Parsons 1960 (cited in Grusky & Miller, 1970: 98-109) argues it is the value system that defines and differentiates the functional commitments of people in organisations. In addition, other early writers have studied the informal group processes (Katz, Maccoby, and Morse 1950; Dalton 1959; White 1959; Katz and Kahn 1966), group cohesiveness and conformity (Roy 1952), which effect rational organisation. On this basis, I believe, the informal or non-rational, emotional and sentimental aspects of organisation tend to be analysed for their functional contribution to the success or otherwise of the formal aspects of organisation.

Later natural approaches have developed more complex behavioural explanations of organisation[40]. For instance, Weick (1979) argues cognitive processes are important in creating and sustaining organisations. This involves, trial and error, chance and retrospective sense making. Strauss et.al (1963) argue organisation structure grows out of the struggle for control and meaning amongst participants. Cyert and March (1963) argue organisations are loose and shifting coalitions that select goals. Miller and Rice (1967) in the socio-technic tradition, argue organisations are a coupling of technical and social needs. Pugh et.al (1971) extend the strategic focus developed by Lawrence and Lorsch (1967) to argue that organisations are determined by coalitions of interest. Building on this, Pfeffer (1978) argues organisation structures are the outcomes of internal political contests. By contrast, Hannan & Freeman (1977), Aldrich (1979), Aldrich and Pfeffer (1976) argue organisations survive on the basis of environmental selection; that is the environment determines which

[40] Here, I draw on Scott's (1992) schematic outline of natural approaches.

organisations continue to survive. In contrast, Pfeffer and Salancik (1978) argue organisations can act to improve their chances of survival. The focus is on the behaviour of an organisation in relation to other organisations. Finally, Meyer & Rowan (1977) argue that organisations are complexes of institutionalised rules in the form of rationalised myths.

In my view, both rational organisation approaches and the natural perspectives support a predominantly economic viewpoint. These viewpoints range from functional accounts of action to more complex models of behaviour, yet they all have in common an interest in the economic success of organisation.

3.5 Radical Perspectives: The Political Consequences of Work

In contrast to the rational and natural approaches, radical or marxist perspectives clearly stem from the work of Karl Marx (1954, 1976ab). A general resurgence of interest in the marxist perspective developed during the late 1970's and I refer to this body of literature as 'post-labour process theory'. First, I will outline some of Marx's key suppositions about work, and then outline some of the wider political concerns associated with the post-labour process approach.

In *Capital (*1954:173-180), Karl Marx delineates a materialist conception of human agency[41]. He defines the labour process as the necessary condition for affecting the exchange of matter between man and nature. Labour, he argues, is a process by which humans transform nature's products into goods. Indeed, he posits, humans of their own accord, start, regulate and control their material re-actions with nature. Moreover, he

[41] Again, I am indebted to Dr. Kathryn Turner (1993) without whose intellectual influence I may not have understood Marx's emphasis on the material aspect of humanity.

argues, they draw upon their capacity to imagine a product before erecting it in reality and on their ability to subordinate mind and body to purposeful activity. As such, the personal activity of humans in their work; the subject of that work; and the instruments or tools of work, are viewed as elementary factors in production. Further, although the results of the labour process are its products, these products may also be used in later production processes. This is because products exist as use-values; things explicable by features of durability, scarcity and utility and as things capable of being re-materialised or transformed in later production processes.

According to Marx (1976), the labour process under capitalism is characterised by relations of supremacy and subordination. He claims these relations entail a conscious ideal (albeit a false ideology) of free self-determination on the part of capitalists and labourers. With respect to labour, he argues they are compelled by their own material wants and needs, to maintain their own position and their own ability to resell their labour power. For instance, even though wages or money function as a means of circulation, it is nonetheless a vanishing form of wealth that the worker exchanges for goods. In this materialist way they are driven by a conscious ideal of free self-determination. In principle then, Marx posits workers learn to control themselves, are indifferent towards the content of labour, and are ready and willing to accept every possible variation of work that promises higher monetary rewards.

Analytically, Marx (1976) views the social relations of Capitalism from the position of an obscured mode of material compulsion. While he sees the relations of slavery and serfdom and other patriarchal social formations as direct forms of compulsion, he sees the relations of Capitalism as being obscured or hidden by the very ideal of free self-determination. From his position, the relations of Capitalism reflect the ongoing materialist nature of humans in

production and as such capitalist and labourer relations are merely a change in the historic form of materialism.

In my view, post labour process theory draws on Marx's materialist emphasis to highlight the political consequences of rational organization. Braverman (1979) was an early contributor who highlighted the political consequences of work. He wrote of the deskilling and degradation of work, which he believed occurred through the application of Taylor's (1911) methods of scientific management. Other early contributors were Friedman (1977), Edwards (1979), and Edwards (1986). These writers were concerned to address two key criticisms of Braverman's (1974) work; the overemphasis on what many considered to be a uni-dimensional concept of managerial control and the lack of acknowledgement of worker resistance. In turn, they offer typologies of different managerial strategies and accounts of class struggle. Other writers, Burawoy (1979), Littler (1982), and Cressey & McInnes (1980) were concerned to address another key criticism of Braverman's (1974) work; the use of a romanticised concept of skill based on the idea of craftwork. These writers introduced notions of new and tacit skills and the exercise of autonomy by workers. Skill has also been related to issues of gender and subjectivity (Pollert, 1981; Cockburn, 1983, knights and Willmott (1989), Knights 1990, Willmott, 1990), to the flexibilisation of work (Thompson, 1990) and job design (Kelly, 1986).

A subsequent group of post labour process theorists, Cressey & McInnes (1980), Burawoy (1985), Knight (1990), Littler (1990), Willmott (1990), and Sturdy (1992) are critical of Braverman's (1974) account of managerial rationality and worker subjectivity. Kelly (1986) and Littler (1990) provide a more developed account of managerial rationalities and the strategic motivations behind what they do. Furthermore, Cressey & McInnes (1980), Burawoy (1985), Knights (1990), Willmott (1990) and Sturdy (1990) develop alternative accounts of worker subjectivity. For instance, Cressey and McInnes (1980) argue there

has to be recognition of the subjective dimension of work. For managers to receive the benefits of workers tacit skills they must release the workers subjective creativity. At the same time, workers are believed to existentially seek a means by which to express that subjective creativity. In addition, Burawoy (1985) argues workers satisfy a humanistic essentialist need for self-expression by consenting to output games. These games facilitate self-expression, compensate for the negative impact of boredom and fatigue and at the same time satisfy the goals of management. Furthermore, Sturdy (1992) argues workers seek existential security through the constitution of work identities. Finally, Knight (1990) and Willmott (1990) deal with the problem of subjectivity by drawing on other critical frameworks. Knight (1990) revisits the Foucaldian framework, whereas Willmott (1990) adopts a scholarly reading of Marx's work.

This radical group of writers clearly support a worker viewpoint. They build on Braverman's (1974) account of manager and worker relations to provide more complex accounts of how those relations are historically constituted. They all demonstrate a rational interest in the political consequences of work.

3.6. Rational and Natural and Radical Perspectives: Models of Non Social Action

In the previous sections I highlighted the economic emphases in theories of organization (3.4 & 3.4.1) and in section (3.5) I highlighted the political emphases in theories of work. In this section (3.6), I argue there are social action limitations inherent in both of these approaches. Here I include a brief review of sociological criticisms of purpose rational action, and economically determined action[42]. Given the importance of Weber's work in organization

[42] I do not address structural functional accounts of social action in text as they are a derivative of systems theory and therefore not directly related to my thesis.

The classical example is Herbert Spencer's (1874) model of structural differentiation, a model that relies upon analogies of equilibrium and function. Spencer's model evolved from biological analogies developed in the work of Compte, 1798-1857 and St. Simon 1760-1825. Spencer's work emphasis's the regulatory, operative, and distributive functions of social organization. Variables influencing the

theory, I begin with Habermas's (1984) critique of the weberian model of social action. Next, based on the importance of Marx's concepts to theories of work I move on to Ollman's (1976) account of Marx's categories of social relations. In the following section (3.7) I detail the Habermasian framework of social action that I believe transcends the social action limitations of theories of organisation and work.

In *Intermediate Reflections: Social Action, Purpose Activity, and Communication*, Habermas (1984:272) argues Weber's model of action is both teleological and non-social. The model, in his view, stresses the purposive intentional activity of solitary acting subjects. As such, an agent can pursue his own interests, live up to values such as piety or human dignity, or seek satisfaction in living out affects or desires. In addition, what the acting subject takes into consideration is narrowed step by step in a descending order of rationality.

According to Weber, actors behave purpose-rationally when choosing means and ends. They choose ends from a clearly articulated horizon and they organise suitable means in consideration of alternative consequences. They behave in a value rational manner when the consequences are screened out of subjective meaning and withdrawn from rational control. They behave affectively when both consequences and values are screened out. Finally, they behave traditionally or habitually where the ends are screened out as well. The result is a descending order of rationality where-in higher order consequences, broader values, and even traditional actions are screened out (See Illustration 3.1 below. Accordingly Weber's postulate of a trajectory of purpose rationality in modern western Capitalism entails the

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direction, speed, and nature of structure and function are examined as anomalies within the system. The interest in social action from this perspective is a concern to match the attributes of humans with the requirements of organization.

The most contemporary example is Jeffrey Alexander's (1988) contingency based micro empirical model of order. Within Alexander's model, action is viewed as interpretative and strategic, and agents are interpreted as participating in social roles determined by the distributive needs of organization. The overriding aim of this approach is to identify variables that prevent efficient organization.

linking of purpose rationality with a value rationality, however the latter pertains to a value that is no more than an economic ethic.

Illustration 3.1

Weber's Typology of Action.

Types of Action in descending order of rationality	Meaning	Ends	Values	Consequences
Purposive	+	+	+	+
Value	+	+	+	-
Affective	+	+	-	-
Traditional	+	-	-	-

Source: Abstracted from Habermas, J. (1984) The Theory of Communicative Action: Vol. 1. Reason and the Rationalisation of Society. Heinemann, London. Pp.282.

By contrast, Marx (1954, 1976) adopts a theory of labour value that restricts the nature of what it is to be human. He draws on an ontology of class relations that highlights the material aspect of humanity (Ollman, 1976). In Marx's account, the will and purposes of individuals are abstracted as the class actions of capitalists and labourers. Moreover, capitalists and labourers are viewed as mere constituents in the production of capital. They are understood to meet as the components of capital personified, the capitalist as the provider of money or 'capital' and the immediate producer or labourer as the provider of 'labour'. Accordingly, their social actions are determined by the commodity fetishism

characteristic of capital accumulation (Ollman, 1976). Based on Marx's framework the social actions of capitalists and labourers are antagonistic yet combine to produce a social force that is materialist.

In my view, the rational approaches in organisation theory emphasise the weberian concept of purpose rationality, where means, ends, values and consequences are rationally controlled. Whilst natural approaches in organisation theory build on the rational approaches to include accounts of irrational and complex aspects of behaviour, this does not negate the centrality of purpose rational action to the body of theory as a whole. In addition, the radical approach limits managerial and worker actions to class action. If theories of organisation and theories of work are derivatives of weberian and marxist material, and I believe that they are, then there is little scope for broader social actions from those perspectives.

3.7 A Broader Model of Social Action

In this section I pick up the cultural marxist theme that suggests to me that the rational and natural, and the radical worldviews dominate in a kind of division of labour. According to a cultural marxist perspective, worldviews compete and prevent broader values from being picked up and co-ordinated into social action[43]. In my view, the Habermasian model of social action adopts a stance that transcends the social action limitations inherent in derivates of weberian and marxist theory and these limitations flow through to theories of organization and work. With this in mind, I turn now to an outline of that model. I then discuss the theoretical implications of this model of non-social and social actions.

Habermas (1984:283) stresses social inter-action. First, he argues rational actions may be coordinated on the basis of interest positions. This implies the possibility of action oriented

[43] See chapter 2, section 2.6.

by a clear consciousness of the contingency of strategic interest positions. Second, he argues rational actions may be co-ordinated on the basis of normative agreement. This implies action oriented by custom or norms and further by a clear consciousness of moral judgement. This broader typology of action leads highlights social actions of either the instrumental strategic or moral type. Further, the typology suggests rationalised actions are co-ordinated in two general ways, that is, through interest positions and instrumental strategic action or through agreement and moral action (see Illustration 3.2, below).

Illustration 3.2

Habermas's Alternative Typology of Action

Degree of Rationality of Action Coordination	Low	High
Though interest positions	Customary Action	Strategic Action
Through normative agreement	Customary Action based on agreement	Moral Action based on agreement

Source: Abstracted and modified from the work of Habermas, J. (1984) The Theory of Communicative Action. Vol. 1. Reason and the Rationalisation of Society. Heinemann, London. Pp.283.

By accentuating different mechanisms of coordination, Habermas (1984) makes further distinctions between action oriented to strategic success and action oriented to reaching an understanding of moral judgement. His model of purpose rational action begins from the premise that the actor is primarily oriented to attaining an end which has been rendered sufficiently precise in terms of purposes, that he selects means that seem to him appropriate in the given situation, and that he calculates other foreseeable consequences of action as secondary conditions of success[44].

[44] Success is defined as the appearance in the world of a desired state, which can, in a given situation, be causally produced through goal-oriented action or the omission of actions. The effects of action comprise the results that the actor foresaw and intended or made allowance for, as well as the side effects that the actor did not foresee.

Habermas (1984) speaks of communicative and moral action whenever the actions of the agents involved are coordinated, not through self-centred calculations of success but through acts of reaching understanding. In communicative and moral action participants are *not* primarily oriented to their own individual successes. They pursue their individual goals under the condition that they can harmonise their plans of action on the basis of common and moral definitions of situations (see Illustration 3.3, below).

Illustration 3.3

Habermas's Non-Social & Social Types of Action

Action Orientation Action Situation	Oriented to Success	Oriented to Reaching Understanding
Non-social	Instrumental Strategic Action	None by definition
Social	Strategic Action	Communicative and Moral Action

Source: Abstracted and modified from the work of Habermas, J. (1984) The Theory of Communicative Action. Vol. 1. Reason and the Rationalisation of Society. Heinemann, London. Pp.285.

The implications of Habermas's (1984) model of non-social and social actions are twofold. First, rationalised economic and political interests can combine with instrumental values to result in strategic actions, which are ultimately non-social. The postulated result is a conflict of economic and political interests between opposing parties. This is arguably represented by the ongoing antagonism between managers and workers in capitalistic forms organisation

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An action oriented to success is called instrumental when it is considered under the aspect of following technical rules of action and assessed by the efficiency of an intervention into a complex of circumstances and events.

An action oriented to success is called strategic when it is considered under the aspect of following rules of rational choice and assessed by the efficacy of influencing the decisions of rational opponents. Strategic actions are reached through coercion or force.

and work. Second, rationalised economic and political interests can also combine with social values to result in morally determined actions, which are social. This is arguably represented by the co-operative relations of people in guild and co-operative forms of organisation and work.

3.8 The Theoretical Implications for Willing and Social Work Participation in Organisation and Work

I turn now to a consideration of the implications of Habermas's (1984) broader model of social action for willing and social work participation, and indeed for the competing perspectives on organisation and work.

The concept of willing and social work participation is arguably not represented in theories of organization and theories of work. However, a cultural Marxist framework sustains the postulate of willing and social work participation. It suggests people are capable of consciously adopting the values and norms of instrumental organisation, in this way acting out instrumental strategic actions that are non-social. It also suggests people are capable of consciously adopting the values and norms of social organization, in this way acting out morally determined social actions. The former is consistent with the supposition of instrumental action. The latter is consistent with the supposition of broader social action. The broader model of social action suggests work participation can be either 'willing and instrumental' or 'willing and social'.

In addition, although there is likely to be a dominant worldview in which people are expected to and may indeed follow the values and norms of the organisation there is also the possibility of the development of reactionary countercultures. For this reason work

participation is likely to have a variable fit across alternative forms of industrial organisation. In bureaucratic and entrepreneurial forms of industrial organisation, I would expect a dominant and a competing worldview, hence the development of dominant values and norms and the likelihood individuals will adopt strategic actions. In addition though, the development of reactionary countercultures is a possibility. In the producer and worker co-operative I would also expect the development of dominant values and norms, but that individuals would be likely to adopt moral and therefore social actions. Again though, the development of reactionary countercultures is a possibility.

In my view, the cultural marxist framework for willing and social work participation developed here does not displace the dominant economic perspective or the competing political perspective in theories of organisation and work. They are dominant and competing worldviews reflected in more contemporary theories of organisation and work. However, the cultural Marxist framework does suggest the opportunity to develop a theory of work participation that acknowledges the existence of a broader social orientation in organisation and work. As suggested by Ramsay (1985:74) "the task of theory is to account for… (empirical observations)… not to deny that bees can fly merely because in theory they should not".

3.9 Concluding Notes

I conclude this chapter by returning to the research questions I outlined in chapter one. I asked what form of industrial organisation would sustain the willing and social work participation I had in mind? Was I more likely to identify it in co-operative forms of

organisation and work? If so, how would the potential for its' manifestation differ across alternative forms of organisation and work? Would the orientations overriding it in one form of organisation and work be so different to those encouraging it in another form of organisation and work? Further, what kind of change would be enough to fundamentally alter capital labour relations and the very essence of Capitalism itself?

Based on my readings of the literature on capitalism, organization and work I have arrived at the following postulates. Willing and social work participation is likely to be sustained in social and co-operative forms of industrial organisation. Its manifestation is dominant in those forms but may be evident in bureaucratic and entrepreneurial forms as reactionary countercultures. However, in the latter, (bureaucratic and entrepreneurial forms) it is likely to be subordinated by the overriding legitimacy of instrumental values, strategic interests and non-social actions. The mechanism responsible for willing and social work participation is the same as that for willing and instrumental work participation, in that willingness involves the rationalised actions and choices of people. Finally, none of these postulates suggests a change in the fundamental nature of capitalism. They do, however, suggest the profit motive can be released either on the basis of divided interests, i.e. the interests of capitalists and wage labourers, or for the benefit of an economic community.

I turn now to chapter four and to a diagrammatic illustration of the dynamic model of work participation that I intend to use to explore my chosen cases. This dynamic model builds acknowledges the possibility of willing and social work participation.

CHAPTER FOUR: A DYNAMIC MODEL OF WORK PARTICIPATION

4.1 Introduction

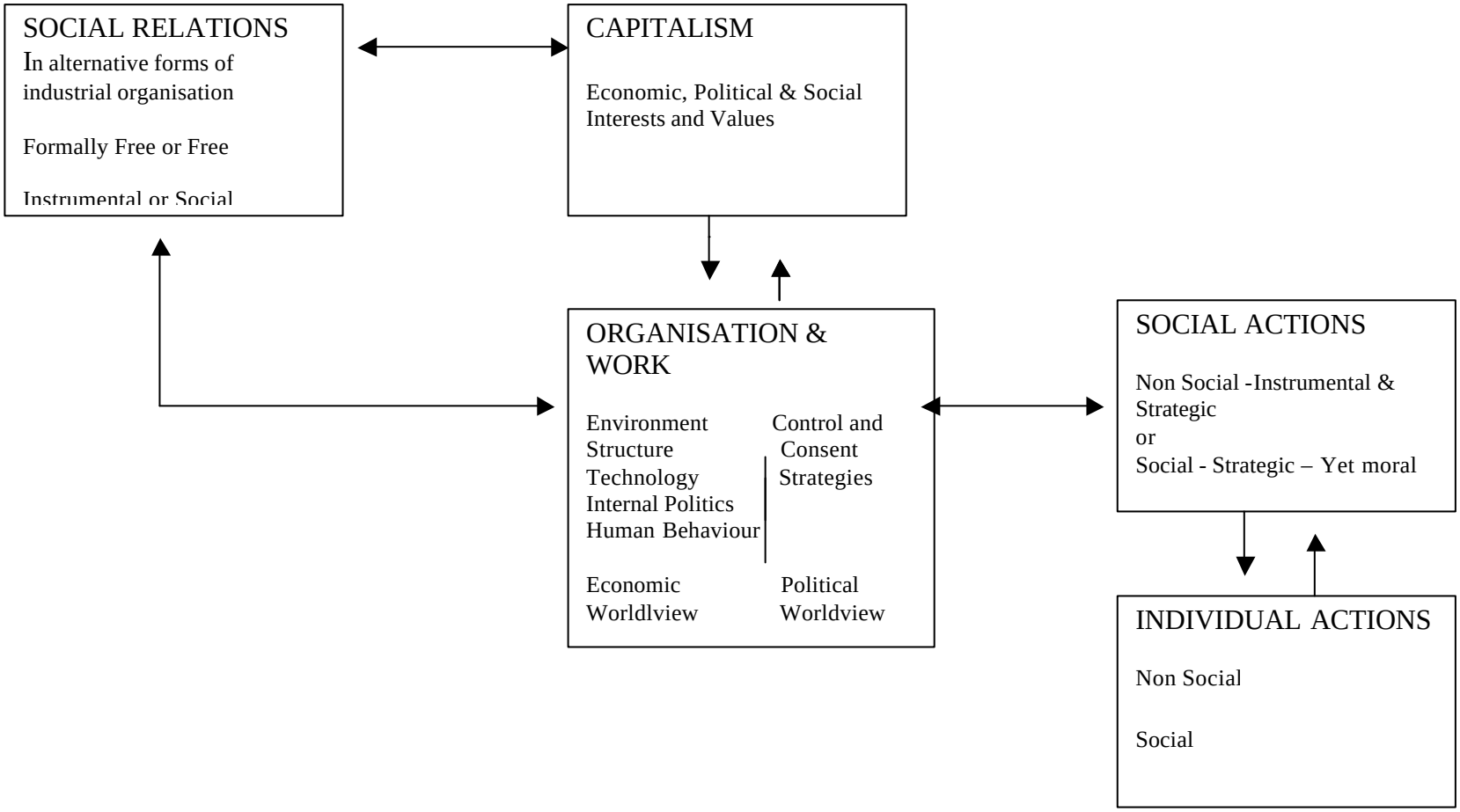
In this chapter I present an illustration of the model of work participation I intend to use in my analyses of alternative forms of industrial organisation (see Illustration 8 below). The model adopts the cultural marxist assumptions of Habermas (1984, 1987). It builds on Marx's (1954, 1976ab) emphasis on materialism, and Weber's (1922, 1922-23, 1947) underscoring of economic rationalism and political closure, to develop a broader social action framework (Habermas 1984, 1987)[1].

In the following subsections (4.2 - 4.5) I outline the theoretical postulates underpinning the different levels of analysis in the model. Throughout this outline I highlight the variability of rationalising processes under capitalism, the degrees of rationalism at the level of organisation and work, and the breadth of instrumental and social orientations that potentially affect work participation. In section 4.7 I revisit the cultural marxist concept of socio-cultural rationalisation and highlight the likelihood of dominant and reactionary countercultures.

In the next chapter (five) I address the methodological and research design problems of testing and theoretically developing that model. In chapters six through ten (the cases) I pick up the thread of my case analyses.

[1] See Chapter two, sub section 2.7.

Ill. 4.1 A DYNAMIC MODEL OF WORK PARTICIPATION IN INDUSTRIAL ORGANISATION



4.2 Capitalism

In line with developments in Habermas's (1984, 1987) work it is appropriate to acknowledge Marx's (1976) supposition of expropriation and Weber's 1947) supposition of appropriation[2], but to view economic and political axes from the position of the rationalised interests of different groups in money and status. Further, it is appropriate to adopt Habermas's (1984) postulate economic and political interests can only be satisfied if they are connected with values that serve to provide the reasons for them, while values in turn cannot establish themselves if they are not connected with interests that supply them with power[3]. Moreover, I would expect to find variable interconnections between those interests and values (See 'Capitalism' in Illustration 4.1 above).

4.3 Social Relations in Alternative Forms of Industrial Organisation

According to Weber (1947:118) social relations are the meaningful actions of a plurality of actors and these meaningful actions are driven by a rational interest in money and status. However according to Habermas (1987:116) social relations should be characterised by rationalised interests and by the variability of intrinsic values.

Based on the theoretical premises of a cultural marxist perspective on Capitalism I expect to find social relations institutionalised and are indeed either formally free or free as suggested by Weber (1947)[4]. In the first instance I expect the services of labour would be treated as the subject of formally free contractual relationships. In

[2] See chapter 1, footnote 4., and chapter 2, sections on Karl Marx and Max Weber.
[3] See chapter 2, section 2.6.
[4] Chapter 2, section 2.5, illustration 1 for a review of Webers concepts of formally free and free social relations.

the second instance I would expect there would be a situation of fee labour as in the case of small-scale guilds or socialist co-operatives. However, in line with Habermas's work, I expect those social relations to be characterised not only by rationalised interests in money and power but also by different values, i.e. values may be instrumental or social.

According to Weber (1947: 275-279) the dominant forms of industrial organisation are the bureaucratic form, the small business unit, the small-scale guild and the socialist co-operative. These are the forms of industrial organisation studied in my research. Moreover, these forms of industrial organisation are characterised by institutionalised social relations; i.e. the social relations are embedded in law (See 'Social Relations in alternative forms of industrial organisation' Illustration 4.1 p.65 above).

4.4 Organisation and Work

The following is based on the premise the Capitalist concepts of my adopted approach would not fit with the worldviews of the groups across in the alternative forms of industrial organisation. However, I suggested the literature on organisation and work could be viewed as two different conceptualisations of the world of work[5]. I argued theories of rational organisation maintain the weberian postulate of purpose or instrumental rationalism. Furthermore, I suggested both theories of rational and natural organisation could be viewed as supporting a predominantly economic viewpoint. By contrast, I argued radical theories of work maintain the marxist

[5] See chapter 3.

postulate of materialism and could be viewed as supporting a predominantly political viewpoint.

Through an outline of sociological critiques or analyses of the classical works of Weber and Marx I highlighted limitations in the models of social action adopted. I argued these social action limitations have been carried through to weberian and marxist derivatives of theory at the level of organisation and work. I also suggested Habermas's cultural marxist perspective be used to fill the limitations of social action in theories at the level of organisation and work[6].

From my adopted position I expect to find different organisation theories (i.e. the contingency approach, transaction cost analysis, the population ecology approach and the resource dependency approach) will be informative of the rational interest in economic organisation. I expect these concepts to have a better fit with contemporary understandings. In addition, I expect to find variations in the key factors of economic organisation, i.e. environment, structure, and technology, and internal political association. I also expect radical theories of work will inform me of the rational interest in the status of the workers, and for there to be some fit with control and consent strategies. The findings may, for instance, demonstrate simple, technical or bureaucratic control and exploitation of lower status groups (See 'Organization and Work' in Illustration 4.1 p.65 above).

[6] Chapter 3, subsection 3.7.

4.5 Social Action

Nonetheless, it is unlikely either theories of organisation or theories of work will be informative of the cultural marxist concept of social action. On that basis, the dynamic model of work participation in industrial organisation seeks to extend the perspectives at the level of organisation and work by exploring the social action postulates of Habermas[7]. In the first instance, I could expect goals are pursued through instrumental-strategic action. In the second instance, I would expect goals are pursued through the reaching of common and moral agreement. In both instances, social action can be strategic but only in the latter can it be moral (See 'Social Action' in Illustration 4.1 p.65 above).

4.6 Individual Actions

In a comparable way individual actions can be either non-social or social. As such, I would expect Marx's concept of materialism to be an important and lasting dimension of work participation. I would also expect Weber's concepts of economic rationalism and status to explain the political dimension of work participation. However, as Habermas postulates, I can expect the interconnection of material (economic) and status (political) interests and values to be variable. On that basis, individual orientations to work may be 'willing and instrumental' or 'willing and social' (See 'Individual Action' in Illustration 4.1 p.65 above).

[7] See Chapter 3, section 3.8.

4.7 Degrees and Levels of Rationalisation

Implicit in this model is the assumption *socio-cultural rationalisation*[8] occurs in varying degrees and at different levels. Based on *societal rationalisation* I would expect the dominant rational configuration of the world of work or the economic worldview to be sustained by rationalised interests in money and power. Given that *cultural rationalisation* is required to sustain societal rationalisation, I would expect value rationalisation to vary from the instrumental to the social, but for values to vary from case to case.

I would expect the dominant worldview of economic rationalism to be a driving force across my cases but for the strength of that worldview to vary depending on the existence and legitimacy of dominant and competing worldviews. As such I would expect some status groups (e.g. managers & or workers) to pick up and adopt the organisationally or economically preferred culture, but for some to respond through reactionary countercultures.

4.8 Conclusion

This chapter provides an illustration of the dynamic model of work participation that I intend to use in my interrogation of alternative forms of industrial organisation. The model adopts cultural marxist assumptions to build on the work of Marx and Weber. Those postulates do not suggest a fundamental change in the nature of Capitalism. They do however emphasise a variable interconnection of between rationalised interests and values. On that basis the profit motive can be released in the interests of capitalists, or in the interests of economic communities.

[8] See Chapter 2, subsection 2.6.

In my view the model draws on Capitalist concepts to provide a template for theoretically testing and building[9] a dynamic model of work participation that is arguably unaddressed at the level of theories of organisation and work. I turn now (chapter five) to address the methodology and research design of issues of my research.

[9] I address my apparently contradictory use of these terms in the following chapter (5).

CHAPTER FIVE: RESEARCH METHODOLOGY

5.1 Introduction

The aim of my research is to theoretically ground a cultural marxist perspective on work participation. In chapters two and three I presented a synthesis of theories of industrial organisation acknowledging three discrete levels of theory: capitalism, organisation and work. I argued the synthesis of concepts of capitalism, adopted from a cultural marxist perspective, postulates a broad notion of work participation that is arguably not represented at the level of organisation and work. In chapter four, I provided an illustration of the dynamic model of work participation that I intend to use to interrogate four alternative forms of industrial organisation. From this position I sought a methodological rationale that could use existing theory as a guide while allowing me to ground new conceptual categories and develop theory. In this chapter I outline the methodological assumptions I adopt (5.2), provide an overview of the research design (5.3), and detail the methods or tools used in the research (5.4). Finally, I address the methodological soundness of my approach (5.5) and conclude (5.6).

5.2 Methodological Assumptions

From my cultural marxist position I adopted the methodology of American Pragmatism or Deweyan Pragmatism (Mead 1933, Dewey, 1920; Bernstein, 1971; West, 1991 & 1995). Deweyan Pragmatism fits with my adopted theoretical perspective given: Habermas's reworking of Mead's theory of meaning in his own *Theory of Communicative Action* (1984); and the assumption meaningful discourse is the switching station through which people can and do rationally choose socially oriented action over instrumental action[54].

[54] See chapter 2, subsection 2.6.

Deweyan Pragmatism is a future oriented methodology advancing the thesis that knowledge or theory is no longer to do with final certainty[55] but instead to do with working hypotheses concerning the resolution of human problems (Hickman 1992, cited in Coyne 1995). In addition it makes critical and progressive methodological assumptions whereby facts ideas and concepts are considered the theoretical tools to be used by the researcher[56]. As argued by Coyne (1995), the practice of social science "extends beyond the laboratory or the world of speculative theory to impinge on the wider sphere of human engagement in practical problems".

In line with the above methodology Deweyan Pragmatism makes fitting epistemological and ontological assumptions. First, knowledge is conceived as hypotheses to be tested in experience: truth is provisional, based on warranted assertions and determined by the community of those competent to judge; knowledge is, therefore, not limited to a timeless truth as in the empiricist tradition but is fallible and contingent and determined by an evolving universe (Garrison, 2000). Second, Deweyan Pragmatism follows the ontology that minds and selves emerge socially in critical and creative dialogue with the rest of the community (ibid). In that way Deweyan Pragmatism emphasizes the human capacity to alter social life.

The genre of Deweyan Pragmatism I adopt follows the work of Cornel West (1991, 1995). Central to West's version of Deweyan Pragmatism is radical historicism whereby the analytical task is to become immersed in history so as to consciously identify and critically digest the values of particular communities or traditions. As West (1991) argues, the task is to look at the emergence, dominance and decline of particular principles under specific

[55] As is suggested by the empiricist tradition of Locke and Hume.

[56] Although these assumptions depart from those of the empiricist tradition they are by no means uncharacteristic of critical theoretical approaches. Denzin (1978) makes the assumption that no social science research methodology is atheoretical. Patton (1990) makes the point critical theoretical approaches are orientational but useful research agendas. Pettigrew (1990) acknowledges the role of theory and its' use in guiding the adoption of methods. While Van de Ven and Poole (1990) argue knowledge only advances through successive approximations of competing theories.

social conditions. As West (1991:2) argues, this entails an examination of the role and function that principles like object and subject and or objectivism and relativism play in culture, community and society.

5.2.1 Justification of Deweyan Pragmatism

In adopting a methodological stance that uses facts ideas and concepts as theoretical tools the task of critical cultural analysis is theoretic rather than philosophic or natural scientific. The theoretic task of a critical cultural analysis is to highlight the interplay of criteria, principles and judgments and to recommend alternatives. Because cultural values are viewed as the contingent community specific agreements made by people in relation to particular norms, aims, goals and objectives, values are open to evaluation and change. Furthermore, given people make ethical judgments in light of moral principles they must employ criteria to under gird such judgments and give reasons to justify their criteria, principles, and judgments (West, 1991). On that basis, it is possible to study past and present principles and judgments in light of future socio-cultural needs.

In the second instance, while the task of critical cultural analysis is to understand the historic emergence of principles and judgments, there is no assumption people make ethical judgments on philosophic or natural scientific grounds (West, 1991; Smith, 1992; Coyne, 1995). According to West (1991) the search for philosophic grounds for moral principles is pointless. The philosophic view is seen to rest on foundational criteria that limit analyses to a philosophical fetish. From that position there is no recourse to the flux of history and change. In other words there is no subject matter. In a comparative way, the natural scientific view is seen to reduce moral truths to a non-moral and objectivist science. As such philosophic and natural scientific that draw on foundational claims are refuted.

According to Zanetti and Carr (2000) the strength of West's (1991) approach is that it overcomes the pitfalls of relativism[57]. West (1995: 13) doesn't deny that foundational philosophies and or natural sciences exist but seeks to understand their historic emergence, social function and cultural roles in determining the values of particular communities. In that way he avoids the relativist struggle other critical researchers engage in when they pit themselves against philosophic or natural scientific knowledge.

5.3 Research Design

Having adopted the future orientated methodology of Deweyan Pragmatism I was faced with the task of choosing an appropriate research design. I chose the following three design components: Constant comparative analysis in the tradition of grounded theory (Glaser & Strauss 1967; Strauss 1987; Strauss and Corbin 1990; Strauss and Corbin 1994)[58], albeit modified to facilitate the use of existing theory (following Vaughan 1992; Vaughan cited in Strauss and Corbin 1994); comparative and longitudinal field research so as to enhance aspects of historical, contextual, and temporal analysis (following Pettigrew 1990), and the case study method using it as a heuristic device only and following the distinction between case study as 'the research design' and case study 'as the instrument' (McGuire 1994).

5.3.1. Constant Comparative Analysis

At the outset I acknowledged constant comparative analysis as a means for developing integrated theory. Constant comparative analysis is the concept-indicator model of the

[57] There is an argument that Deweyan Pragmatism can lead to moral relativism and in this way to the pitfalls of the following three positions: extreme moral foundationalism, moral nihilism, or weak relativism. The first position is based on a claim that the fundamental ethical beliefs of people in diverse cultures and societies differ and even conflict. The second position is based on a claim there are no rational procedures that permit one to justify ethical beliefs or judgments against others. The third position is based on a claim there are some rational procedures for justifying certain ethical beliefs but there are no criteria for choosing between sets of procedures (West, 1991 cited in Zanetti and Carr 2000:5).

[58] I chose not to use cognitive mapping (see Kaplan, 1974; Hart and Moore, 1974). Although cognitive mapping can be used to specify the mental maps of people and therefore rational images or worldviews, there is an underlying linear assumption of cause and effect rather than an acknowledgment of social processes.

grounded theory method developed by Glaser and Strauss (1967), Strauss (1987), Strauss and Corbin (1990). In this method events, documents and the words of interviewees are taken as the empirical indicators. The purpose of the concept-indicator model is to use those empirical indicators to generate theory around a core category. Hence the primary function of the grounded theory method is to integrate theory and render it dense (Strauss, 1987).

For my purposes, I chose Vaughan's (1992) version of constant comparative analysis. Vaughan advocates 'theory elaboration' or the use of existing theories and the further development of them. By 'theory' Vaughan means theoretical tools in general, and this includes formulated theory, models, and concepts. By 'elaboration' she means the process of refining the theory, model or concept in order to specify more carefully the circumstances in which it does or does not offer explanation (Vaughan, 1992).

The value of Vaughan's (1992) modified approach was that it allowed me to play off existing theory against the findings. First, the existing theory was used as a springboard for laying out potential lines of research work. Second, while existing theory was tested it was also possible to build or develop the model I wished to interrogate. This strategy contradicts Glaser and Strauss's (1967) early argument that verification and discovery do not occur simultaneously. Following the work of Glaser and Strauss (1967) the aim would be to develop a substantive theory that uses an inductive approach for theoretical generalization. This strategy is akin to the use of a general theoretical framework in deductive approaches testing theory. However, according to Vaughan (1992) verification and discovery, deduction and induction are alternated in the process of theoretical elaboration[59].

[59] See Strauss (1987) and Strauss & Corbin (1994). The former argue it is possible to discover new theory from previous theory. The latter argue there can be an explicit aim to transcend substantive theory.

Finally, the modified constant comparative method adopts assumptions about theory that are consistent with my approach. Theory is not considered the formulation of some discoverable aspect of a pre-existing reality "out there". Because truth is not discoverable in an empiricist sense, but rather enacted, theories are considered interpretations from the perspectives adopted by researchers, and interpretations of the perspectives of people whom we study (Strauss and Corbin, 1994:279). Further, to say that a given theory is an interpretation, and therefore fallible, does not deny that judgments can be made about the soundness or probable usefulness of it. The grounded theory method and the cultural marxist approach both adopt the theory of meaning originating in the work of Dewey (1920).

5.3.2 Comparative and Longitudinal Field Research

My aim in adopting Pettigrew's (1990) comparative and longitudinal field research approach was to facilitate a flexible analysis of different levels and types of rational action. Pettigrew's (1990) approach was suitable because it allowed for an exploration of conflicting rationalities, at different levels of analysis and across time. Hence, it enabled an examination of context, content and processes of change, as well as interconnections through time.

Pettigrew's (1990) contextual analysis of change allowed me to draw on vertical and horizontal levels of analysis and the interconnections of those levels through time. For example, the vertical level can refer to the interdependences between higher or lower levels of analysis; such as the impact of the relatedness of the changing sociocultural context of Capitalism to the level of organisation and work, or vice versa. The horizontal level can refer to the interconnectedness of phenomena through historical, present and future time. The assumption is that causation is neither linear nor singular and that antecedent conditions shape the present and the emerging future.

According to Pettigrew (1990:277) the aim of comparative and longitudinal field research is to collect data that is processual, comparative, pluralist, historical and contextual. On that basis, one data collection task was to acknowledge process as structure as well as action over time. Other goals were the collection of comparative data over a range of sectors, with reference to competing versions of reality. In addition, the aim of the historical perspective was to take into account the historical evolution of ideas and actions as well as any constraints on action. In my research this was achieved through the retrospective accounts of events provided by the interviewees on past but significant events. Ultimately, the goal was to adopt a flexible field research approach in the collection of data that would assist in the development of non-linear themes.

5.3.3 The Case Method

I agree with the argument all research needs to be understood with recourse to the methodological assumptions adopted (Hunt 1990). Further, that the design of the research should be a natural consequence of those assumptions (Morgan & Smirchich 1990). For my purposes, the methodological assumptions of Deweyan Pragmatism, and the research design components of constant comparative analysis, and comparative and longitudinal field research were of prior importance. On that basis, I chose to use the case method as a heuristic device rather than as a research design (McGuire 1994:4). Consequently, in the following section (5.4) I use the case method as a means for setting out the general steps of my research.

A more recent controversy about the case study method concerns its use by positivist researchers to test theory or develop theory using qualitative methods (Eisenhardt 1991; Tsouksas 1989; Parkhe 1993; Yin 1994). They build on the distinction between theory testing and theory development, where the former applies to survey methods and therefore positivist methodologies (Mill 1843; Popper 1959; Lakatos 1978), and the latter applies to case study method and therefore non-positivist methodologies (Lincoln & Guba 1985, Muncy & Fisk 1987; Anderson 1988). Morgan & Smircich (1980) call this the pendulum swing in abstract empiricism; that is, the swing from research based on quantitative and often survey methods to research based on qualitative and case study methods. Morgan & Smircich (1980) argue the case study method can be used to test hypotheses or to generate theory, for deduction and induction, and that it is plausible to employ either quantitative and or qualitative techniques to collect evidence. The point is irrespective of method or technique; the underlying epistemological and ontological assumptions of case study research must be made clear.

5.4 Steps in the Case Method

In this section I outline the case method steps followed to achieve Vaughan's (1992) suggestion of 'theory elaboration'. Vaughan (1992) suggests the use of existing theories and the further development of them. The steps below follow the case method protocol outlined by Eisenhardt (1989) albeit modified to suit my cultural marxist stance[60].

Steps in Case Study Method

1. Getting Starting: Using research questions to derive a theoretical framework from existing theory.

2. Selecting Cases: Theoretical sampling of cases.

3. Crafting Instruments: Unstructured interviews using an interview guide.

[60] At the time of my research there were many variations of theory testing and or theory development. I saw no reason to deviate from that general strategy of modification (See for instance, Wollin, 1995).

4. Comparative and Longitudinal Field Research: Interviews, collection of historical and contemporary documents.

5. Constant Comparative Analysis: data collection, open and selective coding and memo-writing.

6. Hypothesis Shaping: Using existing theory as a guide while grounding new conceptual categories and developing theory.

7. Enfolding the literature: Comparing developed theory with synthesized theory.

8. Reaching closure: The point at which marginal improvements in conceptual specification become small.

5.4.1 Developing a Preliminary Model

The first task of my research was to define the research questions and derive a theoretical framework. My research was guided by four questions. I asked, what form of industrial organisation would sustain my pre-theoretical concept of willing and social participation? Was I more likely to identify it in co-operative forms of organisation and work? If so, how would its' manifestation differ across alternative forms of organisation and work? Would the mechanisms that circumvented it be different to those that encouraged it? And, what kind of empirical change would be enough to fundamentally alter capital-labour relations and the very essence of Capitalism itself?

Based on my readings of the literatures on capitalism, and organization and work I arrived at the following postulates. The willing and social participation I had in mind is likely to be sustained in social and co-operative forms of industrial organization. Its manifestation is dominant in those forms but also a potential in bureaucratic and entrepreneurial forms. In the latter, however, it is likely to be subordinated by the overriding legitimacy of non-social, instrumental and strategic actions. The mechanism responsible for a willing and social participation is the same as that for a willing and utilitarian participation, in that it involves rationalised actions and choices concerning values and interests, and their co-ordination into

actions. Finally, none of those postulates suggests a change in the fundamental nature of capitalism. They do, however, suggest that the profit motive can be released either on the basis of divided interests, i.e. the interests of capitalists and wage labourers, or for the benefit of an economic community.

In sum, I argued that the willing and social form of participation I had in mind is theoretically represented at the level of capitalism, but not in theories at the level of organisation and work. Furthermore, a synthesis of key classical sociological theories of capitalism can be used as a template for testing and developing or elaborating the notion of willing and social work participation.

5.4.2 Selecting Cases

In keeping with the second step of the case study method I adopted a strategy of theoretical sampling. The aim of this strategy was to choose comparative cases on the basis of existing theory and then to elaborate or build the theory from there. As suggested by Vaughan (1992) I could then elaborate the complexities of the theory. The comparative sampling strategy extended the similarities and differences brought into the analysis at a very early stage. It enhanced comparability, and it also helped to build the complexity and variation of the conceptual categories that were being developed (Glaser 1967; Strauss & Corbin 1990)[61].

I began with a theoretically derived sampling frame. It highlighted variations in the social relations and orientations to work that affect work participation. It was applied across a range of comparative industrial organisation forms. The sampling frame is based on Habermas's (1984, 1987) extended framework of rational actions and I used it to

[61] The approach is a theoretical sampling strategy and different to the replication strategy followed by Yin (1994) as Yin's aim is external generalisability. It is also different to Patton's (1980) purposeful sampling as it does not involve a snowballing strategy.

interrogate the general postulate rationalised actions of work participation can be either instrumental or social (see Illustration 5.1 below).

Ill. 5.1 Habermas's Social Relations in Market Economies

Orientations To Work	Formally free labour	Free labour
Utilitarian ethics	Bureaucratic budgetary unit	Entrepreneurial unit
Social ethics	Producer cooperative	Worker cooperative

Source: Abstracted from Habermas, J. (1987) The Theory of Communicative Action: Vol. 2. The Critique of Functionalist Reason. Polity Press, Cambridge. p.116.

Each of the cases in the sampling frame corresponded to dominant and diverse forms of industrial organisation. For practical research reasons my cases were Australian based.

Case 1: My first case is SEQEB the South East Queensland Energy Board. This government bureaucracy underwent restructuring and privatisation during 1997 and 1998 and is now operating as Energex. It represents an organisation with community service obligations undergoing structural changes to accommodate market responsiveness.

Case 2: My second case is the entrepreneurial franchise Eagle Boy Pizzas that began operations in 1989. This franchise has a network extending across New Zealand and Australia. It represents an organisation with a pure market agenda.

Case 3: My next case is the NSW Sugar Milling Co-operative Ltd. This producer or growers' co-operative was formed in 1978 with the purchase of three northern rivers sugar mills. It represents a social and economic community struggling to survive under market pressures and inconsistent government regulation.

Case 4: My last case is the Budge-Ellis Staff Co-operative located in the suburbs of Western Sydney, NSW. This organisation is a worker co-operative, which came into being in 1988 when Dairy Farmers Co-operative Ltd decided to sell off extraneous operations and focus on milk products. At the time of my research this economic community had maintained the same core staff and experienced ten years of successful operation.

5.4.3 Crafting Data Collection Techniques

Most case study methods entail a range of data collection tools. These can be quantitative or qualitative. I chose methods consistent with the methodological assumptions of my cultural marxist stance and the qualitative nature of constant comparative analysis and the comparative and longitudinal field research approach. Those methods included the key informant technique of unstructured interviews used in conjunction with an interview guide, and the collection of historical and contemporary documents. I chose not to use surveys as a data collection tool because the research was exploratory. In this subsection I address the

crafting of the interview technique. In the following subsection I address the collection of historical and contemporary documents.

The Key Informant Technique: The main data collection technique was the key informant technique, often named the 'anthropological technique' or 'unstructured interviewing' or 'in-depth interviewing'. I chose the key informant technique because it requires a systematic selection of interviewees while retaining the general goal of in-depth interviewing. The interview guide was used to elicit from the interviewees what they considered to be important issues on a given topic, and this was in preference to eliciting answers to pre-structured questions (Cicourel 1964; Denzin 1978; Guba and Lincoln 1987; Lofland 1971; Minichiello, et al., 1990).

The challenge in designing the interview guide was to be clear about the types of data sought from informants, but without limiting their responses (Tremblay 1982). First, a general outline of the study was explained to each interviewee. The aim was to give all of the informants some common orientation. Following this a brief overview of the topics was given, such as 'institutional or regulatory context', 'the level of productive organisation', 'direct and indirect incentives to work' or 'other incentives'[62]. Further, I began each topic with a broad question and this was funnelled or sequenced by more specific probes (Lofland 1971; Minichiello 1990).

In the interview process I followed the recursive model where there is no attempt to maintain a tight ordering or wording of the questions. The aim of the recursive process is to enrich both the understanding of the interviewer and the response of the interviewee (Minichiello, et al, 1990). As my understanding grew I found my questions became more focused and the

[62] See appendix A for an example of the interview guide.

interviewees responses became more in-depth[63]. In addition, the recursive model emphasises the progressive restructuring of the choice of informants and if need be the content of the interviews. I began with a general outline of key informants to interview. However, as most interviewees recommended people they believed were knowledgeable I chose to follow their leads. While the skeletal framework of the interview guide was maintained, the content of the interviews varied according to the level of knowledge of the informants, their positions in the organizations and whether they adopted a managerial, employee, union, franchiser, franchisee, cane-grower, miller, or worker co-operative perspective.

5.4.4 Comparative and Longitudinal Field Research

The fieldwork involved a flexible field research approach consisting of interviews and the collecting of historical and contemporary documents. In each of the cases I began by seeking interviews with the senior people in the organisations. My aims were twofold. My initial goal was to gain access so I could begin interviewing people in the organisations. I had no difficulty gaining access to SEQEB or Eagle Boys Pizza[64]. By contrast access to The NSW Sugar Milling Co-operative and the Budge Ellis Staff Co-operative came only after numerous attempts to gain entry[65]. My second goal was to reassure senior staff of the integrity of my work. To do this, I provided an overview of my research and indicated the range of people I hoped to interview. I found the approval of a senior person in the organization made access to other people at comparable and or lower levels easier.

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[63] The convergent interviewing process developed by Dick (1990) is a similar approach.

[64] I put this down to the close proximity and previous industry contacts other researchers at Queensland University of Technology had made with SEQEB and Eagle Boys Pizza.

[65] Other organisations I contacted were the Proserpine Co-operative Sugar Milling Association in Qld, The cane grower owned Isis Central Mill in Qld, a number of the South East Queensland Co-operatives in the Maleny area of Qld, and the Abrasiflex Worker Co-operatve in Sydney. Although none of the people I contacted in these organizations were interested in the research, they willingly referred me on to other people in the co-operative industry and sent documents they believed would be useful.

I selected each interviewee on the basis of recommendation in a process similar to the snowballing technique of Patton (1990). Previous interviewees referred me on to other people in the organisation on the basis of either position or expertise in a particular area. For instance people were often recommended for their knowledge of 'the legal institutional or regulatory level', 'the productive or operations level', or 'the people or human resources level'. People were also recommended for the contrast of perspectives they could give on the organisation[66] or for their retrospective or longitudinal or historical knowledge. As a result the interviewees held a range of positions from senior executive, white-collar, to technical supervisory and blue-collar, and most had been with the organisation for a considerable number of years.

I phoned each interviewee at least one week prior to the interview date and where travel was involved. For instance I travelled from Brisbane to Northern NSW and Sydney. I organised a number of interviews for the same or following days. On arrival at the interviews I asked each person to fill out a fact sheet detailing their name, position in the organisation, the place of the interview, and the classification stream of their work and or education qualifications where they were willing.

The actual number of interviews varied from case to case. This seemed reasonable given the very different structural configurations of the organisations. For instance in the entrepreneurial unit I was able to interview the franchiser and a number of his professional staff, but the franchisees operating the stores often had family members working for them. Consequently, at the franchisee operation I stopped the interviews at the point the franchisee

[66] This was particularly relevant in SEQEB and in the NSW Sugar Milling Co-operatives where there were competing interests. For instance, between in SEQEB there were competing interests between management and employees, and in the NSW Sugar Milling Co-operative between the growers, mill management and employees.

felt comfortable. I did not interview his wife or son. In a similar way, the worker co-operative was small and not all of the workers wanted to participate in interviews. One of the workers was a migrant and although he had been in Australia for many years he felt the language barrier would be too difficult. Again, I stopped the interviewing at the point the members of the co-operative felt comfortable. Of the forty plus interviewees I contacted, I successfully interviewed thirty-five[67].

I taped all of the interviews. Most interviewees were comfortable with this. Where they were not comfortable they verbalised a legal disclaimer on to the tape so as to protect themselves and the organisation. Almost all of the interviews were long running, from forty-five minutes to as long as ninety minutes. Those interviews were transcribed verbatim. This was an arduous process, as I spent a day or longer completing each one, and in the weeks that followed I went back over the tapes checking for correctness of the material transcribed and for typing errors.

The second source of data was documentary evidence. This was an equally important data source and involved the collection of a wide array of documents. Interviewees recommended public materials such as industry and government reports, legislation, industry or peak body journals, company brochures and annual reports. I searched for and read a number of published histories, in particular on the NSW Sugar Industry. I also searched for and read material on government organization, franchises, and on worker co-operatives. However, I found the published histories were theoretically tangential to my research interests and/or far too general. In the end, I relied on key informants' recommendations of historical documents perceived to be important, whether published or unpublished. Some of the historical documents were newspapers and magazines; others were in-house unpublished

[67] The interviews were supplemented by the documents and unpublished material that people handed to me.

documents. Ultimately, the most useful documents were those that came through key informant recommendation.

I also wrote field-notes or interpretative observations about interviewee responsiveness, my own process of reaching understanding and anything of interest about the actual sites I visited. Miles & Huberman (1984), Pettigrew (1990), Van de Ven and Poole (1990) all argue this is one way in which to provide an audit trail in qualitative research. My aim was to be clear about the 'early links' I was making between the data and the theory. However, I found the links I was making at that early stage were very simple and far too preliminary to be of any real theoretic use.

5.4.5 Constant Comparative Analysis

In constant comparative analysis, data collection, coding and memo writing go on throughout the life of the research project (Strauss 1987). I made very early links during the data collection stage but found the analysis limited until I had made successive iterations of interpretation.

Initially I read each interview in a particular case as a single entity. I then compared it with the next and following interviews looking for consistent or conflicting themes on the topics covered in the interview guide, and noting the documents that fit with the thematic material. I repeated this process across all of the cases.

Then, I open coded the interviews using NUDIST, The non-numerical unstructured data indexing searching and theory building program of Richards and Richards (1990). The aim of open coding is to develop theoretical categories in terms of the properties and dimensions of concepts Glaser and Strauss (1967) and Strauss (1987). I had already theoretically derived the model of work participation I was interrogating. Consequently I entered the

theoretical concepts and definitions as the index system to be used in NUDIST. I then converted the interviews from word documents to text only files and imported those as the documents to be used in NUDIST. At that point the documents were available with line reference numbers and I was able to fracture or order the data by allocating lines of text to the concepts in the index system. This fractured the data into hierarchical levels of analysis accentuating different perspectives on any one topic and making the links between the theory and data more evident. I repeated the open coding of the interviews across the cases. According to Glaser & Strauss (1967) and Strauss (1987) this extends the similarities and differences brought into the analysis, and broadens the basis of comparability.

Next, I began axial and selective coding using a manual system[68]. The aim of axial coding is to put the data back together by making connections between a category and subcategories, focusing on conditions, context, interactions, strategies and consequences. In other words putting the data back in a relational form. The aim of selective coding is the development of a story or narrative (Strauss 1987). I re-ordered the themes a number of times writing and rewriting theoretical memos until I arrived at a fit between the theoretical model and the interviews and documents. Only then did I move on to the write up of the cases.

In this way although my constant comparative analysis involved a constant iteration between data collection, open and selective coding, and the writing of memos, there was also an identifiable succession of interpretation.

[68] NUDIST was introduced late in the research. I used NUDIST for open coding (See appendix A). At the point of axial and selective coding I chose not to continue using NUDIST. While it would have been possible to continue developing theoretical memos, I found the theoretical synthesis developed in the early stage of my research over rode any such need. I also realised, given my cultural marxist stance the way in which I fit the theory and data should be lucidly evident in the write up of the cases. Consequently, I used NUDIST as a means of open coding and fragmenting the data, as an efficient data management system, and as a means of showing or confirming the initial fit of the theory and data. Richards and Richards (1991:310; 1994:446) confirm there are very different but plausible ways of using NUDIST.

5.4.6 Hypothesis Shaping and Theory Writing

As I worked through the write up of the cases I grounded the model I had theoretically derived. I did this by specifying the circumstances in which different levels of theory did or did not fit the data, by elaborating the complexity of theories of capitalism, and building on theories of organisation and work where appropriate[69].

I began with a single case analysis of the context of Capitalism, using economic and political interests and social values as a guide to describe the socio-cultural rationalising processes occurring at that level, and as a means of specifying the existing social relations. As I wanted to develop a comparative analysis of socio-cultural rationalisation this material constituted only one quarter of the context chapter.

I then moved to a within case analysis of organisation and work, examining the economic worldview[70]. This worldview entailed an examination of the fit of rational and natural perspectives, in particular environment, organizational structure, technology, and internal politics. I also examined the political worldview through the fit of radical political perspectives. I drew on participant interpretations of the rationalisations evident in their organisation to highlight the perspectives of different groups. In this way, I was able to determine whether participants reacted positively or negatively to the sociocultural context of Capitalism. This material constituted my case analysis of Capitalism and was written up as my first within case analysis.

I built the chapter on Capitalism as I worked from case one through to case four of the alternative forms of industrial organisation. This involved moving back and forth from the context chapter to individual case chapters. In total the write up resulted in five theoretical linked chapters.

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[69] This is consistent with Vaughan's (1992) suggestion of 'theory elaboration' or the taking off from existing theories and the further development of them.

[70] Recall a worldview is a rationalised conception of the world of work (See chapter 2).

During this write up stage I used a manual system to re-check the interview data and documents. As I had read and re-read the interviews, and then open coded them using NUDIST, I had an intimate knowledge of the content of each of the interviews, knew where specific thematic material was and which documents could be used as supporting evidence. To make the manual system of checking faster I reverted to the use of the original word files of transcribed interviews, switching between the transcribed files and the case write up. I also used the copy tool to insert direct quotes into the body of my written analysis.

Pettigrew's (1990) comparative and longitudinal field research approach proved invaluable. The within case material demonstrated the variability of contexts and processes. For instance, the findings varied depending on whether worldviews were viewed retrospectively or seen to be occurring at the present time. The findings most certainly varied in terms of how people believed the worldviews had affected or would affect their participation. In addition it was possible to compare variations at the level of Capitalism, as well variations in environment, structure, technology and local cultural values at the organisation and work level. Further, it was possible to ascertain whether the participants held conflicting or mutually compatible views and indeed to identify what those views were.

By linking sub-hypotheses in the introductions and conclusions of my five case study chapters I was able to build towards and support a final theoretical postulate. I grouped the first two cases on the basis of an identifiable trend towards instrumental rationalisation and the latter two cases on the basis of their legitimating a broader social rationalisation. This comparison highlighted similarities and differences between two polar cases, allowing me to detail the complexity of competing interests and conflicting values, and to emphasize the variability of the social relations and orientations that affected work participation. In that

way, I was able to both test the model of work participation and elaborate on the concept of willing and social work participation.

5.4.7. Enfolding the Literature

Armed with the final postulates and the sub hypotheses of the five case chapters I was then able to return to the preliminary model of work participation and delineate the complexities of willing and social work participation. This expanded model sets out the conditions under which willing and social participation can be established as well as the limitations to its' establishment. I was also able to compare the theory and findings with the theory that already existed. First, in terms of critical theory at the level of Capitalism, noting how a cultural marxist model of work participation builds on the materialism of Marx and the idealism of Weber, to postulate that people can and do make rationalized choices about the basis of their participation, whether instrumental or social. Second, in terms of theory at the level of organisation and work, noting how the dynamic model of work participation fills the social-normative void I highlight between economic and political worldviews or organisation and work. In the first instance the model builds on pre-existing critical theories to propose a broader social rationality. In the second instance the model stands alongside competing perspectives of organisation and work to provide an alternative way of understanding work participation.

Enfolding the literature in this way enabled me to reinforce Habermas's postulate of a broader model of social action and to lend credibility to my argument that theories of organisation and work do not represent willing and social work participation.

5.4.8 Reaching Closure

The constant comparative analysis approach was chosen for the systemic method it provided in theoretical elaboration. Although the data collection, analysis, and writing occurred iteratively, there were identifiable stages in the research that produced successive iterations of growing interpretation. Based on those iterations I was able to make marginal improvements in the conceptual grounding and specification of the model until I reached theoretical saturation and therefore closure.

From my cultural marxist stance, the theory was used as a theoretic device, rather than as a means of testing empirical hypotheses or as a means of developing speculative theory[71]. The aim was to demonstrate the rationalised choices people can and do make about the basis of their participation. Consequently, I considered I had reached closure when my interpretation of the data had produced a synthesis of competing rationalised worldviews, at different levels of rationality, and from conflicting or mutually compatible perspectives. The aim was to demonstrate not only the deleterious social effects of socio-cultural rationalisation but also to demonstrate the ways in which some forms of social and economic organisation operate to minimize those effects.

5.5 Methodological Soundness

The controversy concerning qualitative research concerns the supposed superiority of nomothetic or empiricist research over qualitative or ideographic research and the role and status of qualitative research in the social sciences. There have been two general responses. The first argues qualitative or ideographic research can be incorporated into an

[71] This approach contrasts with that of Eisenhardt's (1989) where the issues of closure, i.e. knowing when to adding cases and knowing when to stop iterating between the theory and the data, have more to do with replication.

overall empiricist framework (Tsoukas 1989). The second argues the nomothetic versus ideographic debate need not be an issue (Luthans & Davis 1982) if there is an acknowledgement of the different methodological assumptions that underpin research. Given there is no single logic of science (Hunt 1990) it seems reasonable that the integrity or soundness of research should be assessed using appropriate criteria (Marshall & Rossman 1989). As Morgan and Smircich (1980) argue:

> "Once one relaxes the ontological assumption that the world is a concrete structure, and admits that human beings, far from merely responding to the social world, may actively contribute to its creation, the dominant methods become increasingly unsatisfactory, and indeed, inappropriate"

Lincoln and Guba (1985, 1989) propose four criteria to evaluate the methodological soundness of non-empiricist research. They argue whereas logical empiricism is evaluated through the criteria of internal validity, external validity, reliability and objectivity, non-empiricist research should be evaluated through the criteria of confirmability, dependability, credibility and transferability.

Confirmability is the process whereby the work can be confirmed by another researcher. The study has to be explicit about the methodological assumptions, about the research design and the methods. In my research the methodological assumptions of Deweyan Pragmatism were of prior importance and the research design components of constant comparative analysis, comparative and longitudinal field research, and the case method flowed from that underlying logic. In addition I used a number of means to ensure the confirmability of the interviews, the main data source in my research. I taped the interviews, transcribed them verbatim, and open coded them producing using NUDIST. Although I used a manual system for the selective coding, I maintained confirmability in the write up of cases by being explicit about the links made to the data. I also clarify my treatment of the

data[72]. Finally, I used official reports, where possible, citing figures that confirmed the content of qualitative themes[73].

Dependability is about accounting for the changes you make during the research. In my work the research design components were not changed. However, there were key decisions that I made during the research process that needed to be outlined. First, the decision to stop interviewing was based on practical considerations out in the field. I agonised over whether I had undertaken enough interviews. The small number of people in two of the organizations prevented me from completing a balanced number of interviews across all of my cases. In the end I decided I had enough material given both interviews and documents and my growing understanding of the theory and data. On those grounds the lesser number of interviews obtained in the smaller organisations seemed quite reasonable. Second, the decision to use NUDIST was made quite late in the research. I had reached a theoretically useful level of analysis by the open coding stage by reading and re-reading the interviews and by linking the documentary evidence to what people were saying. The decision to use NUDIST was a response to the issue of confirmability rather than a response to any real difficulty with theory elaboration and theory building. Given my adoption of a theoretic stance, and my use of a modified version of constant comparative analysis, and hence the task of theory elaboration, I felt comfortable leaving the confirmability of the selective coding to the write up of the cases. Across and within all of the written cases I made explicit links between the theory and the data.

Credibility is about showing what you claim makes sense to others. In this research I used a theoretically derived framework as a guide in my research. The core concepts of that framework were used in the interview guide, and my aim was to elaborate the complexity of the framework by grounding it and building the theory where need be. Consequently, the

[72] See Appendix B, Reflections on Qualitative Data Analysis.

write up relied heavily on the fit between the framework and the thematic interpretations provided by interviewees. In this way, I provided case material that reflected the perspectives and understanding of the people in the organisations. In my view this ensured the credibility of my claims.

Transferability is more to do with theoretical abstraction and explanation of theory rather than notions of generalisability. In my research the strategy of theoretical elaboration, and hence the simultaneous testing and development of theory, moved the level of analysis beyond that of a substantive grounded theory making links with the general theories of critical sociologists. Demonstrating the transferability of critical postulates of those general theories was in my view a part of my overall research task.

5.6 Conclusion

In this chapter I outlined the assumptions of Deweyan Pragmatism the methodology I chose to adopt. Following this, I provided an overview of the research design components, detailing the modified version of constant comparative analysis, the comparative and longitudinal field research approach, and my rationale for using the case study as an instrument. I then detailed my use of a theoretically derived sampling frame, theoretical sampling of cases, the crafting of the key informant technique used in conjunction with an interview guide, the additional collection of documents, the coding and memo writing of constant comparative analysis, the write up of my within and across case analysis, the fit of the core postulates with existing theoretical perspectives, and my rationale for closure. Finally, I addressed issues of methodological soundness. In the following five chapters, six through ten, I present my case analyses.

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[73] Silverman (1984) recommends this as a means of confirming qualitative research.

CHAPTER SIX: SOCIO-CULTURAL RATIONALISATION

6.1 Introduction

In this chapter (6) I present the theory and findings of my cultural marxist perspective on Capitalism. In the following case chapters (7 through 10) I present the theory and findings relevant to the level of organisation and work. Finally, in chapter (11) I pull the threads of my analyses together theoretically elaborating the complexities of the dynamic model of work participation I have interrogated.

My write up of the findings consists of stories and I begin with the construction of a story from my cultural marxist perspective. I aim to highlight the pressures of economic rationalism and the interplay of interests and values operating at the level of Capitalism. I also seek to demonstrate the social relations institutionalised through law, i.e. whether they are formally free or free, and the nature of orientations to work: either willing and instrumental or will and social. My intention is to elaborate the complexities of the first part of the model of work participation and the fit of that component of the model across the chosen organisations.

In the first major section (6.2 and subsections) I present case material to demonstrate how socio-cultural rationalism occurs at the societal level highlighting the pressures of economic rationalism and the interplay of economic, political and social interests that occur. In the second major section (6.3 and subsections) I present case material to demonstrate how at the cultural level there can be conflicting values. Moreover, in the third major section (6.4 and subsections) I examine the combining of societal and cultural rationalising processes to highlight the production of different rational

trajectories. In this section I explore in more detail the variability of social relations as they are institutionalised through law, and whether social relations are formally free or free. I also describe related orientations to work, i.e. whether work participation is willing and instrumental or willing and social.

In sum I present Capitalism as a cornerstone worldview for understanding work participation. At the same time I set the context for chapters seven, eight, nine and ten, by providing a basis on which to compare the very different worldviews identified across the organisations. I pick up the thread of this analysis in chapter eleven.

6.2 Societal Rationalisation

From the cultural marxist perspective I adopt societal rationalisation occurs through the interest motivations of different status groups. These groups are horizontally differentiated through the division of labour. Hence, economic rationalism can produce a crisis of economic interests in the area of expropriation (that is, where the conditions of labour are alienated from the labourer). This can be transformed into a crisis of political interests in the area of appropriation (that is, in the areas of status rights to economic advantage). These economic and political interests are the dominant interests under Capitalism. Nevertheless broader social interests can operate to impose further restrictions on economic rationalism.

In the following subsections (6.2.1, 6.2.2, 6.2.3, 6.2.4) I highlight the interplay of interest motivations and detail the social relations as they are institutionalised in law.

I do this for each of the following organisations: South East Queensland Energy Board (SEQEB), the East Coast operation of Eagle Boy Pizzas, the NSW Sugar Milling Co-operative and the NSW Budge-Ellis Staff Co-operative.

6.2.1. A Contestable Electricity Market for SEQEB

At the time of my research SEQEB[74] was considered a government owned electricity authority operating in a monopoly market. It was preparing for entry into a contestable electricity market at the national level. The corporatisation of SEQEB that occurred in 1995 was a state government response to microeconomic reforms occurring at the national level (Hilmer 1993; SEQEB 1994). Similarly, the reforms of the late 1990's were a response to the findings of *The Report of the Queensland Electrical Industry Structure Task Force* (1996). The aim was to open the electricity industry to a contestable and therefore open market. That new market environment was expected to come into play by 2001/02.

By the late 1990s the Queensland electricity supply industry was characterised by one large government owned generator trading as Austa Electric, and one government owned transmission, distribution and retail-corporation trading as the Queensland Transmission and Supply Corporation (QTSC). Austa Electric was the generator, and the QTSC was responsible for retail supply, distribution and the state's high voltage transmission network. A sub branch of QTSC, the Queensland Electricity Transmission Corporation (QETC), undertook the function of transmission and was trading as Powerlink. Seven further subsidiary electricity

[74] The field research was undertaken during 1999-2000.

corporations of QTSC, one of which was SEQEB, were responsible for distribution within geographically defined franchise areas (Queensland Government, 1996a)[75].

The purpose of reform was to increase competition but retain state government ownership[76]. The Director-General of the Department of Mines and Energy was to remain the appointed regulator responsible for the electricity industry in Queensland (South East Queensland Electricity Board, 1995; 1996). However, all statutory government owned corporations (GOC's) were to become company (GOC's) and operate under company law. Austa the generator was to be divided into four parts; three Shell corporations were to operate as the new generators and there was to be a new engineering company (Queensland Electricity Reform Unit, 1997a). Powerlink was to retain its transmission function, with one part of the corporation breaking off to form a separate company for marketing. QTSC and the seven distribution boards including SEQEB, were to be renamed and to operate two core businesses, those being distribution network and retail. The seven distribution network businesses were to deal with asset management. While, three new retail businesses were to buy and sell electricity across the whole of the distribution network areas (Queensland Electricity Reform Unit 1997b). The new retail companies were to cover the three wider geographical areas of, Far North Queensland, Central Queensland, and Urban Queensland.

[75] The seven subsidiary electricity corporations were The South East Queensland Electricity Corporation (SEQEC), The South West Queensland Electricity Corporation (SWQEC), The Far North Queensland Electricity Corporation (FNQEC), The North Queensland Electricity Corporation (NORQEC), The Wide Bay Burnett Electricity Corportion (WBBEC), The Capricornia Electricity Corporation (CEC) and the Mackay Electricity Corporation (MEC) (*Powering the Future*, Qld Government 1996a).

[76] This is in contrast to other public sector reforms in other States where the reform model followed the lines of privatisation.

The Qld state reform process sought to facilitate new trading arrangements for those seventeen new Queensland companies, and the intention was they would compete in the national electricity market come 2001/2. The contestable electricity market at a national level would allow interstate and overseas companies to purchase in bulk and on sell to customers, in that way reducing the barriers of the traditional monopolistic electricity market. In effect there would be no guarantee customers in South East Queensland would purchase electricity from the predecessor SEQEB. In addition an Electricity Reform Unit had been formed to implement the changes (Queensland Electricity Reform Unit 1997a). Furthermore, legislative changes to the *Government Owned Corporations Act 1995*, and the *Electricity Act 1994* and the *Electricity Regulations of 1994* were being considered. The new organization was to be named Energex.

The reforms produced crises in the economic and political interests of work. First, a crisis of economic interests in the area of expropriation (i.e. where the conditions of labour are alienated from the labourer) resulted in many SEQEB employees losing their positions[77]. Those employees either left the industry or took on positions in one of the new Energex companies. The general process of redeployment and

[77] Here I refer to managers on contract and employees registered with several Industrial Organisations of Employees. The following list of industrial organisations has been drawn from the Electricity Generation, Transmission and Supply Award – State 1996: The Electrical Trades Union of Employees of Australia, Queensland Branch; the Australian Services Industrial Union of Employees (Queensland Local government, Energy, Ports, Information Technology, Social and Community Services Branch); the Australian Municipal, Administrative, Clerical and Services Union; Central and Southern Queensland Clerical and Administrative Branch, Union of Employees; the Federated Clerks' Union of Australia, North Queensland Branch, Union of Employees; the Association of Professional Engineers, Australia, Queensland Branch, union of Employees; the Federated Engine Drivers' and Firemans' Association of Australasia Queensland Branch, Union of Employees; the Federated Ironworkers Association of Australia (Queensland Branch) Union of Employees; and the Automotive, Metals and Engineering Industrial Union of Employees, Queensland.

redundancy followed the existing redundancy processes, and related to employees in Austa and to the people to be engaged in the new retail companies (Queensland Electricity Reform Unit 1997a: 3). Second, a crisis of political interests in the area of appropriation (or rights to economic advantage) resulted in changes that would affect employment security and the general pay and conditions of work. The key industrial organisations of employees, the Electrical Trades Union of Employees of Australian and the Australian Services Industrial Union of Employees, believed the contestable electricity market opened the way for outside contractors to compete with SEQEB employees. They also believed significant legislative changes in Federal and State Workplace Agreements[78] would enable SEQEB to negotiate individual agreements with employees. This, along with the removal of union exclusion clauses, and a limit on the number of minimum award conditions, was considered to effectively reduce the protection and influence of unions.

6.2.2 The Competitive Fast Food Industry of Eagle Boys Pizza

At the time of my research the Federal Government was in the process of developing legislation to impose a mandatory code of practice on several sectors of the franchise industry (Franchise Code Council, 1997). That legislation was to deem the authority for administering the code of practice to the Australian Consumer and Competition Commission. From the point of view of Eagle Boys Pizza the impact of the mandatory code of practice was expected to be marginal. According to the franchiser, Eagle Boys Pizza had followed the self-regulatory code of practice and

[78] *Workplace Relations Act (Clth) 1996 & Amendments*, and *The Workplace Relations Act (Qld) 1997, Industrial Organization Act.*

already adhered to the broad bat of trade practices covering small business. On that basis, the market was considered more important than legislative developments. The challenge for Eagle Boys Pizza was to coordinate the growth of the franchise system by aligning marketing and pricing strategies with the operational capacities of the individual franchisees. Eagle Boys Pizza operated on the general franchise basis of distinguishing between intellectual property and physical property. The franchiser owns the intellectual property of the franchise system; namely, the marketing in terms of image, promotion, and advertising, and the operating standards in terms of consistency of product and service. The franchisers intellectual property is registered through the Australian trademark system. By contrast, the franchisees own the outlet businesses or stores, and the physical assets, or ovens, dough machines, etc. On this basis the franchiser and the franchisees were involved in a system of marketing based on a contract of agreement.

Eagle Boys Pizza was set up by an entrepreneur with a background in baking and retail[79], had been in operation since 1989, and had restructured from a company operation to a franchise operation. The principle owner or franchiser considered he was operating in the fast food industry. Not only did his franchise compete with pizza companies like Dominoes Pizza, Pizza Hutt and Pizza Haven; it was also in direct competition with fast food companies like McDonalds, Subway, and Kentucky Fried Chicken. The Eagle Boys Pizza market agenda was simple: to sell one meal

[79] The franchiser began as an apprentice pastry cook. He had worked in flour milling and food technology, and had gained a background in retail, kitchen design, food design, and product development.

per week to every Australian family and to reduce the amount of time it took to produce a meal to a single minute.

Over the five years prior to 2000 the price of a large pizza in QLD had dropped from $20.00 to $6.00, in effect moving pizzas to the same price bracket as all other fast food competitors; e.g. McDonalds, Subway, Kentucky Fried Chicken. Competition was based on high volume and low margins. To meet the market where it was Eagle Boys Pizza had to be able to change the operations of the stores if and when needed. Consequently, the growth of the franchise system depended on the willingness of the franchisees to meet the financial costs of new phone systems, ovens, dough machines, and employee growth, etc.

In this case there were no crises in the economic and political interests of Capitalism. There was no expropriation of the means of production. Moreover, the owners of the means of production were both the franchiser and the franchisees. The franchisees depended on the franchiser for the franchise marketing system. Furthermore, the franchisees had a vested interest in economic growth, albeit at a rate manageable to their individual businesses. By the same token the franchiser, while not owning the physical assets or physical means of production, did own the franchise marketing system. On that basis, the franchiser has a vested interest in the operational ability of the franchisee to meet the needs of the marketing system. In a comparable way, appropriation or rights to economic advantage were balanced between the franchiser and the franchisees, with the franchiser and the franchisees both operating as capitalists. In this way, the franchiser and the franchisees had mutually compatible

interests. Further, government regulation of the franchise industry sought to balance the interests of the franchisees with those of the franchiser and as such aimed to protect the franchisees as consumers of franchise systems[80].

6.2.3 The Sugar Industry of the NSW Sugar Milling Cooperative.

The NSW Sugar Milling Co-operative operated within the context of recommendations of the report titled *Sugar Winning Globally: Main Report* (Sugar Industry Review Working Party 1996a). This report was developed in the context of national competition policy principles (Hilmer 1993). Additional influences were the development of Australian legislation for co-operatives organizations, and the unregulated nature of the NSW sugar industry.

The NSW sugar industry like the Qld and Western Australian sugar industries is subject to recommendations of national competition policy. Members of the NSW Sugar Milling Co-operative were concerned about the affect of competition policy on their operations. In particular, they believed recommendations to abandon the sugar tariff would impact more on NSW producers than on other State producers (NSW Sugar Milling Co-operative Annual Report 1997:4; Australian Cane Farmers Sugar Digest 1996/7, 1997/7, 1997/8). In recognition of those concerns the Federal Government had set up a Sugar Industry Task Force to recommend measures that would offset tariff losses (NSW Sugar Milling Co-operative Annual Report 1997).

[80] For the purposes of my research the dominant social relations were those between the franchiser and the franchisees. The dominant social relations are those of free capitalists. Although there were approximately 1000 part-time and full time employees in the Eagle Boys Pizza franchise system, the importance of employee relations carried a marginal status. Moreover, those employed in the franchisee stores were often family members.

Other areas of concern were whether there would be a continued the use of Brisbane Bulk Sugar Terminal and the infrastructure funding for export (ibid).

There were also legislative changes afoot to develop core Australian legislation for co-operatives. Although co-operatives were governed by an internationally agreed set of principles[81], the extent and nature of regulation differs between each State and Territory. The legislative responsibility for general co-operatives has always resided with State and Territorial Governments[82].

The NSW Co-operative Act 1992 was the first comprehensive review of that States' co-operative legislation (NSW Registry of Co-operatives 1995). *The NSW Co-operative Act 1992* regulates the formation, operation, administration and supervision of co-operatives. It was used as the basis of legislative reforms in other states (in particular in Victoria)[83]. The *NSW Co-operatives Amendment Bill of 1997* subsequently built on *The NSW Co-operative Act 1992*. The aim was to mirror developments in core provisions following developments in Victoria, in this way attempting to maintain consistent legislation.

The objects of the NSW Act are to-

(a) to enable the formation, registration and operation of co-operatives; and
(b) to promote co-operative philosophy, principles, practices and objectives; and
(c) to protect the interests of co-operatives, their members and the public in the operations and activities of co-operatives; and

[81] The International Co-operative Alliance (ICA) defines a co-operative as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Co-operative values reflect self help, self responsibility, democracy, equality, equity, and solidarity (Jao, 1997).

[82] There were ten pieces of general co-operative legislation in Australia in 1995. NSW Registry of Co-operatives (1995:i)

[83] *The Victorian Co-operatives Act of 1996* drew extensively on the NSW Act of 1992, and in turn became the base document for the core consistent provisions that all Australian States and Territories agreed to adopt. See *NSW Co-operatives Amendment Bill 1997*, explanatory note.

(d) to ensure that the directors of co-operatives are accountable for their actions and decisions to the members of co-operatives; and
(e) to encourage and facilitate self-management by co-operatives at all levels; and
(f) to encourage the development, integration and strengthening of co-operatives at local, regional, national and international levels by supporting and fostering State and National peak organization and co-operative instrumentalities.

The objectives of the NSW Act match those of the Victorian Act 1996[84]. Furthermore, to acknowledge the commercial basis of many co-operative organisations registration is now on the basis of non-trading and trading entities. Furthermore, there are new provisions that ensure financial disclosure (Daniels, et. al, 1996)[85].

The reforms recommended by the Sugar Industry Review Working Party (Qld Government 1996ab) and the developing core Australian legislation for co-operatives produced an environment of legislative uncertainty for the NSW Sugar Milling Co-operative. On the one hand, the review of the Australian Sugar Industry follows the terms of reference outlined by national competition policy. This carried over to co-operative organisation the anti-competition laws enforced by the Australian Competition and Consumer Commission (Fells 1995). On the other hand, there was an acknowledgement there needed to be some compromise between competition law and co-operative law (Munkner 1995 cited in Cronan 1995:75). Added to this, advisors of the NSW Registry of Co-operatives argued the development of core co-operative legislation sought to encourage the growth of the

[84] See *The Victorian Co-operatives Act 1996*.
[85] See also *The NSW Amendment Bill 1997*.

co-operatives sector at a time when private as opposed to public organisation was being encouraged[86].

The NSW Co-operative Act of 1992 seeks to encourage the growth of co-operatives. It established a three-tier structure of administration comprised of the Minister, the NSW Co-operatives Council and the NSW Registrar[87]. The NSW Co-operatives Council formed two sub committees the Legislative Review Committee and the Co-operatives 2000 Committee[88]. The purpose of the first sub-committee is to receive submissions relevant to ongoing legislative reform on co-operative organisation. The purpose of the second sub-committee is the development of a strategic plan for the development of co-operatives in NSW. Many of the programmes implemented by the NSW Registry of Co-operatives are related to the recommendations of the Co-operatives 2000 committee[89], and are considered policy-setting exercises (Jao 1997:15). Issues of concern are: protecting the identity of co-operatives by establishing consistent legislation Australia wide, avoiding the conversion of co-operatives to companies due to a lack of capital investment, the need to re-assess taxation laws particularly in the area of co-operative mergers, the need to

[86] The manager of co-operatives policy for the NSW Registry of Co-operatives believed the contribution of co-operative organisation to the state of the economy was understated. There is an argument public policy debate has focused on private and public forms of organizaton, concentrating on two as diametrically opposed ends, failing to recognise that the continuum of organisation is more like a horseshoe with producer and worker co-operatives existing in between (see Mintzberg 1996, cited in Jao 1977).

[87] The function of the Minister is to determine the policies for the administration of the Act, the Registrar is to exercise his/her functions in accordance with the policies determined by the Minister. The Council is to have regard to the policies of the Minister in exercising its functions which include: encouraging the development and integration of the sector, advising the Minister on action for promoting co-operative principles and co-operative formations, as well as the administration of the Act and such other matters as may be referred to it. This information is from a paper presented by Cronan (1995) to the *1995 Co-operatives Key Issues Conference*.

[88] (ibid).

[89] For instance, *The Co-operative Key Issues Conferences* and publications such as *A Guide to Co-operatives* (NSW Registry of Co-operatives, 1996).

acknowledge relations in co-operatives by their very nature might be anti-competitive, and determining where corporations law might or might not be appropriate (Cronan 1994; 1995). Consequently, at the time of my research co-operative organisation was receiving considerable public policy attention.

In the midst of this legislative context the NSW Sugar Milling Co-operative also operated in an unregulated NSW Sugar Industry. Unlike the QLD Sugar Industry[90], the NSW sugar industry and the Western Australia sugar industry have no legislation that specifically covers the production of cane. The Western Australian industry is relatively young, commenced in 1995 and operates on contracts. The NSW sugar industry did have historical ties with the Qld sugar industry and up until 1989 was affected by the embargo on all sugar imports and by *The Sugar Acquisition Act of 1915*. The embargo was intended to protect the domestic sugar industry and had been imposed by the Federal and (Qld) State Governments (Sugar Industry Review Working Party 1996b: 2). That embargo was replaced by a tariff on imported sugar in 1989. *The Sugar Acquisition Act of 1915* set up the regulatory arrangements through which the Queensland Sugar Corporation (QSC) acquired and sold all sugar produced in Australia (Sugar Industry Review Working Party 1996a: 93). With the removal of the embargo on imports in 1989, The NSW sugar industry withdrew from the arrangements it had with QSC and began operating on contract.

[90] The Qld Sugar Industry has an extensive regulatory framework, which sets up the legal basis for the acquisition of sugar and single desk selling by the Queensland Sugar Corporation. The current legal basis for that regulatory framework is contained within the Sugar Industry Act 1991.

Although the reforms driven from the national level created an environment of uncertainty, the key consideration for members of the NSW Sugar Milling Cooperative was their ongoing commercial viability[91]. The tariff removals and fluctuating sugar prices put increased pressure on the cane growers, the board of directors, and the mill employees to produce large quantities of quality sugar cane.

The NSW Sugar Milling Co-operative had been operating as a producer co-operative since 1978 (*Report On The Proposal That A Co-operative Be Formed To Purchase The Three Northern Rivers Sugar Mills,* NSW Cane Growers' Association 1977). All cane growers who supplied cane to the Condong, Broadwater and Harwood mills were members of that co-operative. According to the Sugar Industry Review Working Party (1996a: 53) there were five hundred and fifty cane farmers in northern NSW in 1996. These five hundred and fifty cane farmers formed the co-operative. Furthermore, in 1990 the co-operative along with the Manildra group of companies built the Manildra Harwood Sugar Refinery. In this way the NSW Sugar Milling Co-operative came to reflect the total NSW sugar industry. In effect it grew the cane, milled the cane to raw sugar, and refined the raw sugar for the whole of the northern NSW region. By 1996 the NSW Sugar Milling Co-operative produced 25% of sugar in the Australian domestic market, and by 1997 it had undertaken direct export of sugar for the first time (NSW Sugar Milling Co-operative Annual Report 1997: 4).

[91] One possible explanation for the predominant concern for competition may be that Co-operatives in the NSW primary producers sector are fairly well established and the National and NSW State governments are seeking to facilitate their continued existence. This fit the previous position of governments. For instance, in the inter war period the NSW State Government encouraged co-operatives as a means of improving productivity in the primary industry (Lewis, 1995). In a similar way public policy focus today can be seen as facilitative.

In this case there were both economic and political interest crises. The forming of the co-operative in 1978 had fundamentally altered the conditions of expropriation and appropriation typical of grower-miller relations. While the board of directors' interests came to reflect the interests of the growers with the formation of a co-operative, the interests remained fragmented. The growers owned the means of production on the farms, and the board of directors acted as the owners of the means of production at the mill sites, even though members of the board of directors were cane growers themselves. Consequently, the growers and the board of directors held overlapping but at times conflicting interests. At the mill site, the board of directors were concerned for the long-term viability of the mill. Moreover, increasing market pressure produced economic crises over pay and political crises over the protection of work conditions. In sum, while the forming of the NSW Sugar Milling Co-operative released the profit motive in the interests of the cane grower community, there remained tensions between the cane growers, the board of directors, and the mill employees.

6.2.4 The Industrial Refrigeration and Process Cooling Market of Budge Ellis

Budge Ellis the Staff Co-operative operated within the context of the developing core Australian legislation for co-operatives but viewed itself as a commercial entity just like any other company. It was formed under the guidance of a co-operative organisation called the Worker Enterprise Corporation (WEC) and had at one time had received financial management from another co-operative organisation called the Australian Association of Co-operatives (AAC). However, members held the view

their co-operative form and their trading and commercial identity was established prior to any State initiatives.

The WEC organisation was the creation of NSW Labour Government. It aimed to create and sustain employment through the development of worker co-operatives. The AAC was a similar NSW State initiative and it aimed to take a proactive role in the management of co-operative finances. While both WEC and the AAC have been dismantled a variation of the employment creation scheme is currently available through the Employee Share Ownership Programme[92]. Similar initiatives have been developed in other States in Australia[93]. However, when compared to the co-operatives movement of Mondragon in the Basque country of northern Spain, and the Industrial Common Ownership Movement (ICOM) in the United Kingdom where there is extensively developed infrastructure, the NSW worker co-operative movement remains fragmented and dominated by employee buy-out and job creation models (Co-operative Enterprise Project, 1996)[94].

Budge-Ellis the Staff Co-operative and Abrasiflex Workers Co-operative are two of the very few registered worker co-operatives operating in Australia[95]. They were formed from pre-existing companies and received assistance through the WEC and ACC programmes. While Budge-Ellis had been subsidiary of Dairy Farmers,

[92] For e.g. see Employee Buy Outs, Price Waterhouse, The Co-operative Enterprise Project, the Registry of Co-operatives and the Australian Employee Ownership Association (1998).
[93] For instance, the Macauley Community Network in Victoria.
[94] For e.g. see *Creating Jobs through Employee-owned Co-operative Enterprises: a Guide for Business Advisers*, (Co-operative Enterprise Project 1996).
[95] Not all worker co-operatives have been registered. One aim of the change in definitions of co-operatives is to encourage organizations to register with the Registry of Co-operatives.

Abrasiflex had been an organisation in the Kerry Packer consortium (Penrith Press 1991, 1992).

Budge-Ellis the Staff Co-operative came into being in 1989. While the co-operative form was not new, the ownership of the co-op by staff and workers was. The pre-existing Budge organisation had a long history in the industrial refrigeration market. James Budge, an engineer and an expert in industrial refrigeration, founded the Budge Company in the late 1880s. That company was sold to Dairy Farmers Co-operative in 1964. From that time Budge operated as a subsidiary co-operative alongside another of Dairy Farmers' subsidiaries Ellis Refrigeration Pty Ltd. Ellis Refrigeration manufactured commercial refrigeration and air conditioning. Budge and Ellis were eventually merged in 1974 to operate as the Budge-Ellis Co-operative under the ownership of Dairy Farmers Co-operative. It was the merged organization Budge-Ellis that was sold to the staff or workers when Dairy Farmers made the decision to sell off their non-core operations and focus on milk and milk products.

The pre-existing co-operative form and the trading and commercial identity of Budge-Ellis was continued on in the new staff co-operative. At the time of the employee buyout there were ten employees. The employees had operated the organisation successfully for Dairy Farmers and believed they could continue to do so for their own benefit. They were able to obtain a $200,000 loan and a further 200,000 overdraft with the assistance of WEC, but only on the provisor each of the ten employees contributed $10,000 each. In this way, the co-operative continued as a means of ensuring their long-term security of employment.

The main aim of the co-operative is to ensure the ongoing financial viability of the organisation, and therefore to protect the members security of employment. For that reason, although there was a board of directors consisting of five of the members there was also a management committee consisting of a financial manager, sales manager, and operations manager (Budge-Ellis organisation chart 1997/8). The role of the board of directors was to meet quarterly and annually to discuss the business of the co-operative, whereas the role of the management committee was to make day-to-day decisions as necessary. In addition, the staff and workers structure was maintained with each person continuing to be paid according to the market rate for professional staff or the award for trades people. The intention was to operate the co-operative just like any other company, but with the added benefit, both staff and workers received bonuses and profit dividends. The bonuses and profit dividends were given only after a five-year period, and only after considering the financial position of the co-operative. The aim was to ensure there was always an undistributable reserve of funds that the co-operative members could draw on (Rules of Budge-Ellis Staff Co-operative 1989). There is a limit to the return of profit dividends. In these ways the co-operative seeks to protect its' long term financial viability.

In this case, the major challenge for the members is to find a way in which to ensure the longevity of the co-operative. Although they operate as manufacturers and repairers of compressors a large proportion of their new market was in merchandising or the buying in and selling of already produced spare parts for process cooling, across a range of industries. Consequently, their ongoing success

was dependent on the industry knowledge of their sales staff, and their ability to demonstrate technical applications to clientele. While already successful in that way the difficulty with respect to the long-term longevity of the co-operative is in maintaining a balance of skilled people in set positions, and in particular in replacing the knowledge and skills of the technical and sales staff should members leave the co-operative. All of the members, except the receptionist and the trades-assistant, had been with the co-operative for an amazing twenty-five to thirty-five years.

There were no crises in economic and political interests. The owners of the means of production were the members, i.e. the staff and workers. In a comparable way, all status rights to economic advantage were balanced. Each of the members brought specific skills to the co-operative. On that basis each was paid according to the market rate for their position but received an equal percentage in the event of bonuses, and indeed an equal percentage of all profit dividends. On this basis, the members; i.e. staff and workers held mutually compatible interests.

6.3 Cultural Rationalisation

Societal rationalisation cannot be considered without a view to changes at the level of cultural rationalisation. According to the cultural marxist perspective I adopt crises in interests can produce crises at the level of values. In the following subsections (6.3.1, 6.3.2, 6.3.3, 6.3.4) I detail cultural rationalisation across each of the organisations.

6.3.1 Traditional Public Sector Culture Versus the Ethic of Commercialism

The situation with SEQEB was culturally unique. All salaried managers and lower level employees worked under an award system of wages and conditions. This system was sustained by two generalised cultures. One was a managerial culture. This culture valued the high social esteem attached to the work of a public sector manager. The other was an employee culture based on technical work and the value of a fair days pay for a fair days work.

The new environment of the contestable electricity market required managers and employees in SEQEB to adopt a different set of values. This produced tensions. For managers and employees cultural rationalisation required the adoption of a culture based on commercial responsiveness and commercial judgement. On the one hand, many managerial staff members embraced the cultural change. They resented the restrictiveness of the past system of wages and conditions of employment, and were tired of the intervention of unions over how and when they worked. They wanted the flexibility to be able operate as managers do in the private sector. In line with this a conscious effort was being made by the corporate executive of SEQEB to take senior managerial staff out of the award system and have them operate on executive contracts. The intention was to cascade executive contracts down all levels of managerial staff. On the other hand, lower level employees responded with apathy to the required cultural change. They saw it as just another phase in the continuous re-engineering of human processes, whether that re-engineering came through human resource management, total quality management or business process management. Lower level employees were accustomed to secure wages and

conditions and believed further developments in this type of re-engineering was just another attack on their wages and conditions. They believed the new environment would encourage the use of contract workers who would compete with them for jobs. Moreover, that the adoption of the values of the new culture translated into the adoption of an individuated work ethic that could only create inequities in the pay and conditions of their work. On this basis, cultural rationalisation in SEQEB required a transition to orientations to work that were instrumental and individuated.

6.3.2 A Culture of Sharing: The Pain of Economic Growth

In the case of Eagle Boys Pizza societal rationalization was sustained by a culture that valued the sharing of pain in economic growth. This culture did not require any transition from a past to a new set of values. The cultural rationalisation of Eagle Boys Pizza entailed a value that bolstered the release of the economic impulse. In line with this any values extraneous to those upheld by Eagle Boys Pizza were marginalised.

For the franchiser and the franchisees the ongoing task of meeting the market came with the pain of sharing in the economic cost of growth. The franchiser and the franchisees shared this value and the distribution of associated costs had to be balanced. A structured forum was set up for the purpose of determining this. It acted as a type of middle management and was considered by both the franchiser and the franchisees a credible means for making cost adjustments within the system. On this basis, while there may have been times of disagreement the ultimate position is one where the franchiser and the franchisees hold mutually compatible values.

6.3.3 Competing Collective Cultures

In the NSW Sugar Milling Co-operative societal rationalisation was sustained by a cultural or value rationality of sharing in economic benefit. This worldview co-existed alongside the competing worldview of the industrial organisation of employees. The latter worldview was sustained by a value rationality of collective trade union. Consequently, the co-operative culture vied for legitimacy in the context of the employee culture.

For the cane-growers, the board of directors, and the employees there is a pie of sugar money. Although the cane growers' want to increase the amount of money returned for the benefit of the co-operative, the board of directors needs to maintain production in the mill, and the mill employees seek fair wages. The rationale of the board of directors is the can growers get paid once the money from sugar sales has been proportioned to mill maintenance, any loan repayments, costs of production, and finally labour. One this basis, cultural rationalisation entails the co-operative values. However, the co-operative values vied for legitimacy in the face of the conflicting values of the mill employees. Consequently the cane growers and the employees uphold competing values.

6.3.4 A Culture of Social Need

In Budge-Ellis the Staff Co-operative societal rationalization was sustained by cultural or value rationality that aimed to protect the employment of the members. Although the members of Budge-Ellis the Staff Co-operative have little interest in the co-operative movement or in collective trade unionism they maintain a social

purpose specific to their own collective needs. Consequently, in this case a dominant worldview of social organisation exists in a self-contained manner.

This co-operative was formed to protect the employment security of a small group of people. Accordingly although the members both staff and workers hold fixed hierarchical positions in the company the structure is overlaid by co-operative principles. Consequently, all members are equal shareholders and all profits are shared. In this way, the collective identity of the co-operative upholds mutual values.

6.4 Socio-cultural Rationalising Processes

In the first subsection (6.4.1) I compare societal rationalisation across the four organisations. In the second subsection (6.4.2) I build on this to compare cultural rationalisation across those organisations. In the third subsection (6.4.3) I examine the combining of societal and cultural rationalisation processes to detail the different rational trajectories of socio-cultural rationalisation. Finally I turn in the next subsection (6.2.4) to explore the variability of social relations and orientations to work: whether 'willing and instrumental' or 'willing and social'.

6.4.1 Societal Rationalisation

A cultural marxist perspective argues instrumental rational action is but one possible type of rationality. Further, that the potential to adopt broader social rational action has always existed. This implies both instrumental and social rationalities operate.

Despite the theoretical possibility of a broader rationality the type exhibited in SEQEB was predominantly instrumental. Furthermore, there seemed little evidence of a reversal of that trend. Two series of interest motivations were isolated as the forces shaping that instrumentalism. One was the increasingly dominant interest in rational organisation, the other the weakened but not completely dispossessed interests of the industrial organisation of workers. On this basis economic rationalism was the dominant worldview albeit restricted by the political worldview of the industrial organisation of workers.

Comparatively, the type of rationality exhibited in Eagle Boys Pizza was purely instrumental. This was to be expected given the interest motivations of the franchiser and the franchisees. While in SEQEB there were competing interests between two general groups, the interests of managerial and administrative staff grouped together and the interests of blue-collar employees. In Eagle Boys Pizza there were two general types of manager, the franchiser and the franchisees. The interests of both the franchiser and the franchisees were directed toward economic motivations and therefore mutually compatible. Furthermore, government regulation of franchise industries aiming to protect the franchisee as a consumer of franchise systems was marginalised. So too was the impact of industrial relations. Thus in this case restrictions on economic rationalism existed but they were marginalised.

In contrast, in the case of the NSW Sugar Milling Co-operative the type of rationality exhibited was predominantly social. In this co-operative there were competing interests amongst three general groups, the growers, the board of directors, and the

mill employees. As such three series of interest motivations were identified as the forces impacting on the social rationality that dominated. While the cane growers opted for a social strategic, yet moral interest in supporting the community of cane growers, there remained competing interests. The competing interests were those of the board of directors and those of the mill employees. The former were predominantly interested in the economic survival of the mill, the latter in maintaining conditions and pay. On this basis, the dominant social rationality vied for legitimacy in the context of the competing worldviews. Consequently, while the cane growers achieved restrictions on economic rationalism through their co-operative type of organisation there remained tensions amongst the three general groups.

The type of rationality exhibited in Budge-Ellis the Staff Co-operative was purely social. This was to be expected given the interest motivations of the members. While, in the NSW Sugar Milling Co-operative there were competing interests amongst the cane-farmers, the board of directors, and the mill employees. In Budge-Ellis there were mutually compatible interests amongst members, even though they held different staff and worker positions. Their historical interests were directed toward the protection of their employment. Thus in this case restrictions on economic rationalism were implemented so as to protect the members.

6.4.2 Cultural Rationalisation

As a cultural marxist perspective suggests cultural rationalisation may be less than successful. It can result in cultural integration or a lack of it. Moreover, the lack of cultural integration may result from a conflict of value orientations.

In the SEQEB case two competing worldviews existed; one was the dominant view of economic rationalism, the other the view of the industrial organisation of workers. Hence, the existence of competing interests between managerial and administrative staff and blue-collar employees produced an "out of sync" effect at the level of organisation and work. That "out of sync" effect is evidenced by the value conflict faced by blue-collar employees, the shift to a commercial ethos being more difficult for this group.

Comparatively, in Eagle Boys Pizza a single worldview of economic rationalism was legitimated by a value rationality of sharing in the pain of economic growth. As would be expected the interest motivations of the franchiser and the franchisees legitimates instrumental value rationality. Hence, there are no conflicting values.

In contrast, in the NSW Sugar Milling Co-operative a dominant worldview of social organisation and a competing worldview of the industrial organisation of employees co-existed. While the social organisation of the cane-growers was sustained by a culture of shared economic benefit, the industrial organisation of employees was sustained by a culture based on the collective notions of trade unionism. Given the different sites of association, where the growers are external to the mill and the

employees are located at the mill, the collective aspect of organisation for the two groups was very different. The social collective identity of the cane-growers' therefore vied for legitimacy, in the context of the conflicting values of industrial organisation, and the more economic values of the board of directors of the mill.

In Budge-Ellis a single worldview of social organisation was legitimated by a value rationality protecting the long-term employment of members. As would be expected the effect of the interest motivations of the members, both staff and workers was to legitimate a social value. Hence there were no conflicting values.

6.4.3 Comparative Socio-Cultural Rationalisation

An analysis of socio-cultural rationalising processes, one at the societal level, the other at the cultural level, highlights the variability of the interconnection of interests and values. It reveals the erroneousness of opposing bureaucracies and entrepreneurial units with socialist cooperatives and small-scale guilds, when forms of industrial organisation should be characterised by the variability of their interests and values.

In SEQEB, socio-cultural rationalisation involved two competing worldviews. The dominant worldview of economic rationalism entailed the interconnection of a formal rationality and a substantive rationality; i.e. a rationality of economic organisation, and a value rationality of commercial responsiveness in judgement. The industrial worldview of workers exists alongside it imposing restrictions on rationalism but becoming increasingly less legitimate. This latter worldview entailed

a formal rationality of industrialism and a substantive rationality that valued technical work and equality of pay and conditions. Hence, the trajectory of socio-cultural rationalising processes reflected competing interests and conflicting values.

Comparatively, in Eagle Boys Pizza socio-cultural rationalisation was premised on a single worldview of economic rationalism legitimated by a value rationality of sharing in the pain of economic growth. This dominant worldview entailed the interconnection of a formal rationality and a substantive rationality; i.e. a rationality of economic organisation, and value rationality of economic growth. At the same time, the political interests that might come into play to restrict economic rationalism were marginalised. Hence, the trajectory of socio-cultural rationalising processes reflected mutually compatible interests and values.

By contrast, in the NSW Sugar Milling Co-operative socio-cultural rationalisation was premised on a dominant and a competing worldview. The dominant worldview of the cane growers entailed the interconnection of a formal rationality; i.e. a rationality of economic organisation, and a substantive rationality; i.e. a value rationality of sharing economic benefits. The worldview of the industrial organisation of workers entailed a formal rationality of industrialism and a substantive rationality of collective trade unionism. The effect of the interplay of these worldviews was the co-existence of two collective social rationalities that restrict economic rationalism in different ways, but meet as competing interests and conflicting values. The worldview of the board of directors overlapped with that of the cane growers but existed separately to reinforce the legitimacy of economic

rationalism. Hence the trajectory of socio-cultural rationalising processes reflected competing interests and values.

In Budge-Ellis the Staff Co-operative societal and cultural rationalisation was premised on one worldview. This worldview entailed a formal rationality of economic organisation and a substantive rationality seeking to protect the employment security of the members. The worldview of the industrial organisation of workers was marginalised. In this self-contained co-operative organisation the trajectory of socio-cultural rationalising processes reflected mutual interests and values.

6.4.4 Social Relations and Orientations to Work

A comparative analysis of dual rationalising processes points to the variable interconnection of interests and values shaping social relations and orientations to work. In this subsection I detail the social relations institutionalised through law and specify whether they are formally free or free and underpinned by instrumental or social value orientations.

In SEQEB economic and political interests combine with the money and status values to produce social relations that are formally free. Managers act as the agents of capital (as the owners of the means of production), and as the group in the organisation with the dominant status rights (as in rights to economic advantage). Their economic and political interests are legitimated by the instrumental values of money and status. Moreover, they enter into a formal relationship with their

employee and in this sense the return of profit is not free. Their social relations are therefore formally free and underpinned by instrumental orientations to work. Employees act as labourers and have lesser status rights than managers. Their economic and political interests combine with money and status values in the same way. Yet for this group the value of collectivism is weakly empowered by the interests of industrial organisation. Moreover, labour enters into formal relations with the organisation on this basis has a limited impact on the return of profit. In this sense the social relations of employees is not free but formally free and underpinned by instrumental orientations to work and weakly empowered social orientations to work.

In Eagle Boys Pizza economic and political interests combine with monetary and status values to produce social relations that are free. The franchiser and the franchisees act as agents of capital. As owners they share in the means of production and have more equal status rights to economic advantage. In addition, their economic and political interests are legitimated by instrumental values. Although employees work in the franchise stores, the dominant social relations are those of the franchiser and the franchisee operator. The profit motive is therefore released in the interests of capitalists and free from restrictions from labour. It is in this sense the social relations are free and orientations to work are instrumental.

In the NSW Sugar Milling Co-operative, economic, political and social interests interconnect with monetary, status, and community values to produce a mix of social relations that are free and formally free. The cane-growers and the board of directors

act as agents of capital but return profit to a community of people. However, while the board of director's interests are generally those of the cane growers, not all rights to economic advantage are passed on to the cane growers. The board of directors operate the mill as a site of production and economic considerations are paramount. In this sense the social relations of the cane growers are free and where restrictions on the return of profit do exist it can be argued they are imposed with the long-term economic viability of the cane grower cooperative in mind. Moreover, orientations to work are weakly instrumental but predominantly social. Mill employees act as labourers and have lesser status rights than cane growers. Their economic and political interests combine with money and status values in the same way. Yet for this group the value of collectivism is weakly empowered through the interests of industrial organisation. Moreover, labour enters into formal relations with the organisation on this basis has a limited impact on the return of profit. In this sense the social relations of employees is not free but formally free, underpinned by instrumental orientations to work and by weakly empowered social orientations to work.

In Budge Ellis the Staff Co-operative, economic, political and social interests combine with monetary, status, and community values to produce social relations that are free. The members, both the professional staff and the employees share in the means of production and in status rights to economic advantage. Although staff and employees maintain the traditional hierarchical positions characteristic or organisations, the principles of their co-operative ensure they share equally in the profit. The profit motive is, therefore, released in the interests of all members and

free from restriction. It is in that sense the social relations are free and orientations to work are instrumental but predominantly social.

6.5 Conclusion

In this chapter I previewed the theory and findings on socio-cultural rationalism. I explored societal rationalisation highlighting the interplay of interests. I examined cultural rationalisation through the values that connect with interests. Furthermore, I highlighted the trajectory of different socio-cultural rationalising processes. From there I moved on to detail variations in social relations either formally free or free and orientations to work either instrumental or social (See table 6.1 below).

Table 6.1

CAPITALISM, SOCIAL RELATIONS & ORIENTATIONS TO WORK

Organisations	**South East Queensland Electricity Board**		**Eagle Boys Pizza**		**NSW Sugar Milling Cooperative**		**Budge Ellis Staff Cooperative**	
Groups	**MM**	**EE**	**FER**	**FEE**	**CG**	**EE**	**S**	**W**
Capitalism								
Economic Interests & Values	v	v	v	v	v	v	v	v
Political Interests and Values	v	v	v	v	v	v	v	v
Social Interests and Values	X	?	X	X	v	v	v	v
Social Relations								
Formally Free	v	v	X	X	X	v	X	X
Free	X	X	v	v	v	X	v	v
Orientations to Work								
Instrumental	v	X	v	v	X	X	X	X
Social	X	?	X	X	v	?	v	v

Legends:
MM: managers, EE: employees, FER: franchiser, FEE: Franchisee, CG: cane grower, S: staff, W: worker.
v : interests and values empowered, ? : interests and values weakly empowered, X: no application.

The preview of theory and findings at the level of capitalism and social relations has been presented as a cornerstone worldview and as a means of comparison the very different worldviews identified across the four organizations. I turn now to chapters seven (7) through ten (10) to complete my stories.

CHAPTER SEVEN: FROM SEQEB TO ENERGEX

7.1 Introduction

In chapter six (6) I presented a cultural Marxist perspective on Capitalism. I use that perspective as a backdrop for comparing the very different worldviews of the participants in each of the organisations.

Across the following four chapters (seven, eight, nine, ten) I present the findings in the following way. First, I present the dominant worldview. Where an economic worldview dominates I explore the rational actions associated with environment, structure, technology and the irrational actions associated with internal politics and human behaviours. I also detail the moral dictums or moral sayings espoused by participants. Second, where competing worldviews exist I explore the rational and irrational actions of opposing groups and detail tensions related to reactionary countercultures.

Across the cases I flesh out the complexities of the model of work participation presented in chapter four. I draw on theoretical perspectives where and when relevant, past and contemporary situation definitions as provided by managers and workers who participated in interviews[96], and on corroborating evidence provided by

[96] The interviews produced rich qualitative material from which I was able to construct the stories for each organisation. See appendix A for an example of a transcribed interview.

historical and/or contemporary documents. I summarise the key findings in tables at the end of each chapter and pick up the threads of my analyses in chapter eleven.

7.2 Instrumental Rationality

The rationalised actions exhibited in South East Queensland Electricity Board (SEQEB) were predominantly instrumental. Furthermore, there seemed little evidence of a reversal of that trend. In the past action in SEQEB had been co-ordinated through the interest positions of managers and workers in general, and through the strategic actions of higher-level management and the industrial organisations of workers more specifically. Two series of interests were isolated as the forces that shaped the instrumentalism of the reforms in the 1990s. The first were organisational changes that attempted to deal with environmental uncertainty and competition. The second were industrial relations reforms that weakened the union position of industrialism. The effect of these two series of motivations, one predominantly economic, the other predominantly political, was to legitimate an instrumental worldview. That dominant worldview was sustained by a moral dictum of commercialism.

7.3 Economic Organisation

Economic organisation was conceived in a particular way. It is generally understood as economic rationalism, as an instrument or tool for achieving means end organisational goals, and as the basis for organising and reorganising work (Scott 1987). For this reason I draw on rational and natural theories of organisation to

extrapolate the findings. In addition while there have been developments natural approaches attempting to irrational and complex behaviour, I have argued[97] both the rational and natural approaches to organisation and work support economic viewpoint. Although the natural approaches explore internal political and human behaviour dimensions of organization and work, like the rational approaches, they sustain an interest in economic criteria.

In the following three subsections (7.3.1, 7.3.2, 7.3.3) I present the organisational story of SEQEB. I begin my by describing the internal workings of the economic worldview. I explore key aspects of rational organisation through the concepts of environmental uncertainty and structure. I then outline a human behavioural approach evident in the organisation. In later sections (7.4 and 7.5) I explore the political worldview. I examine the tensions exhibited through the existence of a reactionary counterculture.

7.3.1 Matching the Environment

As contingency theory would predict SEQEB's reform was a response to the general trend of internationalisation and the growing acknowledgement of environmental uncertainty (Lawrence & Lorsch 1967). The key impetus for change and adaptation came from factors external to the organisation. The most important was the Australian federal government insistence that competition be introduced into the national electricity market (Hilmer 1993). Australian Federal government

[97] See chapter 3, (sects. 3.4 & 3.4.1).

recommendations and Business Council of Australia and Bureau of Industrial Economics findings all highlighted the potential for increased competition and productivity in the electricity industry. SEQEB like other State electricity providers was required to prepare itself for competition in a contestable market framework (*Electricity News*, SEQEB, March 1997:1).

In SEQEB the market was at the forefront of the management agenda. As one CEO explained:

> "With the coming of the national electricity market it will be opened up to competition…So, companies can come in from interstate and overseas and offer electricity supplies, purchasing in bulk from the national market and selling it to customers. So there will be no guarantee that customers in South East Queensland will purchase electricity from the successor to the South East Queensland Electricity Corporation (to be called Energex)".

7.3.2 Structures for Market Contestability

The ideas of the early rational organisation approaches (Taylor 1911; Fayol 1945; Simon 1945) provided me with insights into the development of the bureaucratic structures of SEQEB, contingency theory explained why the rigid and stable structures of bureaucratic rule and rational administration remained workable in some business areas of SEQEB but not in others.

There was no absolute restructuring of SEQEB. Rather, the senior executive[98] of SEQEB restructured the organisation so as to separate the monopoly businesses from the contestable businesses. As one manager described it:

> "the introduction of the competition reforms that are impacting on the electricity industry and are impacting on a lot of other industries…is requiring us to separate the monopoly parts of our business from the contestable bits and to make those contestable bits operate on a level playing field with other providers"

The aim was to ensure the contestable businesses operated on a level playing field with other electricity providers. For this reason a clear distinction was made between the monopoly or support businesses of finance, employee and public relations, training and education, industrial relations, and welfare health and safety, and the two contestable businesses of retail and network. In addition, all business units were to be set up as cost centres and encouraged to send clear pricing signals to the people to whom they would provide services (*Electricity News*, SEQEB, March 1997). At the time of my research the management of SEQEB were unsure whether the support functions would operate as a corporate service to businesses within the new organisation to be called Energex or whether they would be fully competitive and offer such services outside of the organization.

Although the retail and network businesses would not operate in the new market until July 1st 1998 considerable changes had already occurred. SEQEB had restructured

[98] The senior executive consisted of a team of managers responsible for the overall operation of SEQEB. They were often fondly referred to as the twelve apostles.

its retail and network functions and was introducing a cost rationale into the support functions. The retail businesses had been restructured, branches had been closed, cash receipting allocated to agencies, and call centres opened for telephone enquiries. The aim was to focus on sales and customers. The network businesses had been downsized from twenty-one branches to seven. The aim there was to cut indirect administrative costs and to more efficiently use plant facilities and equipment. As for the corporate support units, the manager of human resources argued they were "tracking costs and values and customer charges and we are negotiating for um the delivery of those services".

7.3.3 A Natural Approach to Human Technology

A natural approach to human technology operated in SEQEB[99]. I suggest the human resource approach in SEQEB be viewed from a natural organisation perspective and as one of many engineering ideas applied to people in the organisation. The newest application of human re-engineering in SEQEB was business process engineering. Business process engineering was considered an important stage in the ongoing development of human processes. An earlier idea that remained important was total quality management. The newer idea was intended to build on total quality management in the following way. Whereas the target of quality assurance is the documenting of quality processes and accreditation for those processes, the target of

[99] In this organisation the approach to human technology could have been extrapolated as bureaucratic control (Edwards 1979), i.e. as control strategies embedded in organisational structures.

business processing is the clarification of responsibility for processes and process improvement.

Business process engineering involves higher-level managers and employees, the former as process owners, the latter as process operators. The task of the process owner is to utilise specialist knowledge in the development of flow charts (*Workers Compensation Claims Management Business Process*, SEQEB, 1997). Those flow charts are intended to streamline work. The process owners are typically the corporate managers who were responsible and accountable for the function of units. They were the managers of the support services of finance, employee and public relations, training and education, industrial relations, welfare health and safety units, and the managers of network and retail service[100]. All of the process owners reported directly to the senior executive team. By contrast, the process operators are the people working within a particular business and it is their responsibility to let the process owner know when things are working and when they are not. According to the human resource manager, the aim of business processes is to "make process owners responsible for improving the design of the workplace".

The intention in SEQEB was for business process engineering and total quality management to streamline human processes in readiness for the new structure and culture of Energex. Two other human resource strategies were individual

[100] Generally, process owners were understood to be management responsible for support services and line managers were understood to be the managers responsible for the network or retail services.

performance payments and gainsharing. While the former referred to individual performance and the latter to group performance, both were aimed at increasing cost efficiency and cost effectiveness.

Over the previous two years, individual performance payments had been introduced for high-level executives. According to the human resource manager the "performance pay component can be up to 30% of their remuneration". These bonuses were paid according to two dimensions: the first assessed output against a predetermined target; the second assessed behaviour through 360 degree ratings; that is by ratings by customers and work colleagues. The intent or at least the hope, was to cascade individual performance payments down the employment classifications until all managers and employees were on individual contracts.

By contrast, gainsharing was designed and implemented for staff not on an executive contract and payment depended upon improvements in the performance of the five components of absenteeism, productivity, safety, cost, and customer satisfaction (*Staff Annual Report*, SEQEB 1995/1996:5). Although gainsharing had operated for a number of years not everyone agreed with the means by which improvements were quantified or with whether it actually achieved a group incentive. In the first instance, gains in productivity could be due to a reduction in the persons producing the work rather than to any increased effort. In the second instance, not all individuals contributed to improvements in performance though the payment was a group one.

All of the above human re-engineering approaches were considered by the manager of human resources to be successful tools in preparing managers and employees for the new framework of market contestability. This is demonstrated in the following argument:

> "if I was trying to judge, have those schemes actually had an impact on a whole? Well I would say, yeah enormously…You know we go out on quality reviews regularly. Which is just a sort of informal walkabout for a day… And it is absolutely amazing the different vocabulary, the different things people are talking about. The things that people think are important. The things that they… I mean we have now people demanding to see performance reports on their local work areas. Um they complain that the system doesn't provide them with the performance indicators that they need. They complain that overhead costs are too high from the corporate level. I mean who would talk about that stuff… no one cared about that stuff 2 years ago" (Human resource manager).

7.4 The Competing View of Industrialism

For the economic worldview to become the dominant worldview there needed to be a weakening and transition away from the radical political framework of industrialism[101]. According to Weber (1947:275-279) political restrictions determine the degree of rationalisation and affect the structure of social relations between capitalists and labourers. In this case, political restrictions on expropriation and appropriation[102] were weakened so as to facilitate a move away from union intervention in pay and conditions and towards the use of contract labour.

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[101] In this case the interests of the employees were represented through trade unionism and through the pluralist framework of industrial relations.

[102] According to Weber (1947) there is an expropriation of the worker from the means of production and an appropriation of rights to economic advantage. The case of formally free labour reflects the case of purely contractual social relations with no intervention from associations of workers.

In this section I detail key changes at the institutional level of the industrial relations system and related changes to the system of remuneration. I suggest these changes occurred separate to corporate reform but complemented the drive for economic rationalism, weakening but not completely dispossessing the political interests of industrialism.

In the political arena of industrial relations changes had been implemented through the *Workplace Relations Act (Clth) 1996 & Amendments* and *The Workplace Relations Act (Qld) 1997, Industrial Organization Act*. The first change was the introduction of Federal or Australian Workplace Agreements and State or Queensland Workplace Agreements. The second change was the reduction in the number of the allowable minimum conditions in an award down to a mere twenty. In principle these changes enabled employers to introduce individual contracts between the employer and the employee and to exclude the union from negotiations on those contracts. As long as the contract passed a no disadvantage test it could/would be ratified by the employee advocate. Furthermore, the changes significantly reduced the issues that could be negotiated by unions thereby weakening their influence at the workplace. A third change was that preference clauses of awards were no longer enforceable. Employees no longer had to join a union. Indeed they could choose to withdraw if they wanted to. Union membership had become entirely voluntary. While both management and some employees perceived these changes as acceptable (given the increasingly competitive environment), more militant union officers and employees saw the changes as a "part of the continuous industrial relations reforms that had

begun to undermine their conditions since the early 1980s" (Industrial relations manager).

In line with modifications in the political arena of industrial relations the senior executive of SEQEB were pushing for a system of differing rewards (based on individual incentive payments). The goal was to move towards contract work, not only for management but also for employees. First, there was the intention of introducing individual performance reviews or performance monitoring for individuals. Second, there was the aim of linking individual performance with pay. Although this system was already in place for senior executive staff, the industrial organisations of unions were strongly opposed to the goal of cascading it down to all classifications of employment. The industrial relations manager gave the following explanation:

> "you could say there is a philosophical ah division between ourselves and the union on that matter…purely on the basis that we believe that we should be able to reward people individually for their performance and the unions say no that we should reward them as a group without distinguishing between individuals".

While a trade union representative offered the following reasoning:

> "I would rather see a performance review on a section ah or a group of people that do the same job or in the same classifications in the same area".

In the past the approach to remuneration had been to regulate collective pay through the system of awards. From a union point of view any system of differing pay would undermine the collective basis of industrialism. Instead of a remuneration system covering all workers at a particular classification there would be a system that

encouraged individual effort and reward. That system would also have the potential to produce inequities in pay for employees working as members of a team or as members of a line gang.

Key changes in the political arena of industrial relations and the push for differing systems of pay were believed to complement the drive for economic rationalism and weaken the political interests of industrialism. On this basis, previous restrictions on economic rationalism were considered under threat.

As the industrial relations manager put it:

> "Where employees in our industry have had for years seen themselves as a highly protected industry, ah a monopolistic type industry um …with all the goods, you know the positives and the negatives associated with being a government employee…Now saying to a monopolistic electricity authority back in 1983/4 that there are competitors is a bit of a joke. Because you had no competitors, apart from maybe gas and a little solar energy, and there were virtually no competitors at all…now they are intending to open the market up on 1st July…There is a sudden shift in people's attitudes…Well I think the shift has been made predominantly by management but workers I don't think have made the shift".

This was complemented by the trade union position:

> "Now the attitude of the union was don't play games with us…if you go down the path that you are going… this is what the unions are saying… go down the path you are going bring those contractors in, we will disappear and then the whole quality of your work is going to deteriorate… and that argument has been boiling along without any resolution".

7.4.1 Structures and Systems: Competing Interests

The growing legitimacy of the dominant economic worldview and the competing worldview of industrialism produced an out of sync effect at the level of organization and work. On the one hand structural reforms had taken place to prepare the organization for entry into the new contestable market, on the other hand most managerial and administrative staff, and blue-collar employees were unsure of the extent to which the system of industrial relations would facilitate and reward purely individualistic and instrumental behaviour. Further, some were faced with redeployment or redundancy. I suggest this out of sync effect exacerbated the competing interests of managerial and administrative staff, and blue-collar employees. I aim to illustrate this in the following sub-sections (7.4.1.2 & 7.4.1.3) by exploring the path to economic rationalism across a selection of support and competitive services.

At the time of my research, process owners of some of the key support services and line managers were able to articulate the criteria of the contestability framework, but uncertain how that criteria might be implemented. At best they were able to point to the ways in which structural reform would further the rationalisation process, where there might or not might be a problem with the rigidities of the old industrial system, and whether there would be implications for different groups of people across the divisions.

7.4.1.2 The Support Services of the Employee and Public Relations Division

In SEQEB the support services were provisionally structured under the umbrella title of the Employee and Public Relations Division. Using a notion of human resources in the broadest of possible senses this division provided human support services in a range of areas including finance, recruitment and pay, public relations, training and education, industrial relations, and welfare health and safety. In preparation for contestability, the Employee and Public Relations division had spawned something like twenty-one projects including, human resource benchmarking, gainsharing, individual performance payments, and business process engineering. All of these projects were intended to prepare the organisation for entry into the market but no single project was given total accreditation for that achievement. The consensus was all projects had positively affected the readiness of the organisation for competition.

In much the same way that the competitive businesses of network and retail were preparing to take a commercial footing, the support services were considering their own commercial basis. As the manager of the employee and public relations department described it, they were undergoing a ‘‘physician heal thyself process’’. Consequently they were the most informed yet least directly affected so far. They had facilitated changes in both the network and retail services but were only just beginning to consider ways to lower costs and increase the customer value of their own service provision.

Other process owners where further along the 'contestability' track. For instance, the process owner of industrial relations anticipated the new market framework would mean the removal of the regulatory function by Queensland Transmission and Supply Commission (QTSC) and on this basis a dismantling of State coordinating processes. This type of structural reform was considered compatible with the goal of shifting to company level negotiations, and the general decentralisation of employee relations that had been occurring at an organisational level since the early 1980s. There was also the added likelihood that the industrial relations support service would operate on a fee for service basis providing support to the network and retail services. In the past, the QTSC had looked after SEQEB's industrial matters. Once the new electricity company Energex came into operation, a specialist from the support service of industrial relations would have appear before the Australian Industrial Relations Commission. The following statement can demonstrate the fact that the manager of industrial relations saw this outcome to be a dismantling of the QTSC practice of standardising and coordinating industrial relations across the electricity industry:

> "nobody is going to look over our shoulder and say you can't agree to that. Now we can say it is our business we will resolve this the way we want to. Any we in fact have started doing our own appearances before the Commission for the minor award variations".

The process owner of training and education detailed a trajectory of rationalism that he considered was held back by an entrenched system of remuneration. This process owner had introduced programs to improve the commercial competencies of senior managers, for e.g. programs on negotiation, costing and commercial performance. There had also been an attempt to disseminate information about the new corporate

environment. Nonetheless, he anticipated the largest constraint would be in the system of remuneration. On the one hand, the organisation was seeking pay and rewards reflective of commercial behaviour and commercial success. On the other hand, the industrial relations system remained reflective of task achievement and opposed to individuated pay rewards. On this basis, he believed both managerial and administrative staff and blue-collar employees were receiving mixed messages about what they should and what they would be compensated for. As the process owner of this support service put it:

> "I think that when you sort of take something like training and development it needs to be sort of synchronized with various other things that are going on otherwise you sort of take your training and development up here and say well look we will provide training and development which is consistent with the sort of world that we are heading towards and we'll sort of rate peoples skills, training, expectations and a whole lot of things and then they go back into systems and structures and all sorts of other things, which don't allow them to do these sorts of things, and then you are tending to send mixed signals and I think people find difficulty with that".

Further, the process owner of Welfare, Health and Safety anticipated a shift to a self-regulation of the industry safety standards of the *Electricity Act 1994*, would have significant implications for the blue-collar employees of the network services. He predicted an open market for field workers involving an increase in, if not a full shift to, contract work. This would mean that contractors would need to be cognizant with industry safety standards, but more importantly that SEQEBs blue-collar employees would be faced with competition. The need for self-regulation was attributed to the goals of providing a more cost efficient means of producing and distributing electricity, and of maintaining network assets and services. The role of the Welfare,

Health and Safety support services would be to ensure that self-regulation occurred without a reduction in safety standards. The process owner of Welfare Health and Safety considered it quite possible for this support service to be involved in the "planning, design and orchestration" of safety standards, and for anyone other than employees to take on the fieldwork activities.

Most process owners believed the path to economic rationalism was likely to produce a smaller body corporate of managerial and administrative staff and a reduction in the numbers of blue-collar employees. On this basis, structural reform was expected to have a larger impact on the employment security of blue-collar employees.

7.4.1.3 The Competitive Business of Network Services

SEQEB had made a distinction between asset management and asset servicing, and seven new network businesses were to be responsible for the asset servicing of geographically defined areas. These network services would operate on the basis of their own income rather than a pre-determined budget and their survival would depend on their ability to successfully tender in the new framework of market contestability.

Under the new structure of Energex, the northern network service would take in Geebung, Redcliffe and up to Caboolture, and the line manager would be responsible for the line work on houses, businesses, and powerlines, etc. Initially, the network business was to operate on a six-month service agreement that gave them temporary

preference as a favoured supplier. During that time they would be expected to find ways to reduce the cost of service delivery. However, immediately after that six-month transition period they would be expected to tender alongside electrical contractors for the delivery of that business. Their success or otherwise would have implications for the employment security of approximately ninety blue-collar employees working for northern network services[103].

This line manager believed the path of economic rationalism was necessary but hindered by political restrictions in the area of industrial relations, and with respect to the provision of free public services[104]. On this basis, he argued network services in general were facing commercial operations but shackled by the political consequences of having been a government owned organisation.

In the case of competitive business services, in particular that of network services, the path of economic rationalism threatened the employment security of all, particularly that of blue-collar employees. I suggest economic rationalism exacerbated the competing interests of the managerial and administrative staff and blue-collar employees, across the support and competitive divisions.

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[103] As noted earlier (Section 6.2.1), redeployment and redundancy related primarily to people in Austa and those engaged in the newly restructured new retail businesses. Although the employment security of all employees in these businesses was threatened it was particularly the case for blue-collar employees.

[104] The example given was the free service of checking electrical blankets that had been standard in the industry for many years.

7.5 Cultures in Conflict

The dominant economic worldview and the weakened but competing worldview of industrialism produced cultural tensions. My findings support Weber's (1978a) postulate of a descending or narrowing order of motivations[105], but for some participants only. As a cultural marxist perspective suggests, the narrowing of value orientation can be partial, and the resulting lack of cultural integration can be attributed to reactionary countercultures.

The dominant economic worldview and the competing political worldview of industrialism clashed. In the following sub-sections I aim to demonstrate how the new culture of commercialism was accepted and legitimated by most managerial and administrative staff, but circumvented by blue-collar employees.

In the past societal rationalisation had been sustained by two generalised cultures. One was a managerial culture based on the high social esteem of public sector management, the other was an employee culture based on collective notions of technical skill and equality in pay; i.e. a fair days work for a fair days pay. For managerial and administrative staff the new contestable market required commercial values and commercial judgment. Most managerial and administrative staff was able to articulate what a commercial culture was and how through certain behaviours they would be rewarded. By contrast for employees, particularly blue-collar employees,

[105] See chapter three (section 3.6).

the new market called for a suppression of the values of collective trade unionism. The traditional employee culture was sustained by the collective value workers held for the work that they did; there was a clear recognition of the technical skills of groups of workers and on that basis a clear expectation of pay and conditions. While most employees were able to articulate the values underpinning commercial behaviour, they were sceptical of that value basis returning any benefits to them. On this basis, they were confronted with competing interests and a conflict of value orientations.

7.5.1 Cultural Inertia and The Human Resource Strategy of Change

Although SEQEB was formally corporatised in 1995 the process owner of the Employee and Public Relations Division and the senior executive team believed little had changed at a cultural level. The cultural inertia that remained was understood in terms of the 'public service mentality'. As a line manager made clear:

> "Public service mentality is equality, is doing nothing more than what you are getting paid for, is um if my job description or job profile doesn't say it is my job then it ain't my job. You know you are paid for doing what you have to do to get the job done. Appreciating that you know, public service mentality is that it is your job for life regardless of whether you perform or you don't and that being the case there will be some that don't perform, knowing that they don't have to, why should they (SEQEB, line manager)"

Over a period of five or six years the Employee and Publics Relations Division had introduced a wide range of projects that had raised the awareness of managerial staff and employees. Some of these projects provided guidelines for improving commercial competence and also for defining commercial behavior. Irrespective of

these projects there was considerable apathy amongst managers about when they would implement the cultural changes required for market contestability. There was also indifference amongst employees over the commercialisation of their work values. In order to achieve some momentum in cultural change there had been a deliberate human resource strategy to restructure rapidly and to do this over a few months. The effect of restructuring was most evident in the SEQEB branches, which had been downsized from twenty-one to seven.

While the process owner of the Employee and Public Relations Division considered the effect had been a positive one, in that "it got their attention", other managers expressed concern for the growing distrust that had resulted. As one process owner (Welfare, Health & Safety) put it:

> "Um, the process from the beginning was that once it was clear in the minds of the ah the internal strategies group who were going to direct this agenda was all the managers were called together and given a briefing on you know what was going to occur…The expectation was from there that the managers would take away a ah a package of ah information with overhead transparencies and hand out material and that they would convey this information to you know the lower levels of the organization the grass roots level…My understanding of what occurred is that um that didn't happen as well as it could…I suspect that ah you know there was a fairly responsible approach taken by most of the managers, there were some who I guess saw it as a good opportunity to wield a bit of a blunt instrument. So and you know that dropped the noses of the people out in the field right from the beginning".

At the time of my research the success or otherwise of the human resource strategy remained in doubt. Most managers agreed the human resource strategy had jolted people to the point where they were now aware of the immediacy of the situation.

However, they believed the structural change that had occurred needed to be matched with a cultural change that was yet to be crystallised.

7.5.2 Public Sector Management and The Commercial Culture

In general, cultural change was referred to as the leaving behind of the public sector mentality and the taking up of a commercial culture. The process owners and line managers I interviewed presented slightly different rationales for the embedded nature of the public sector management culture and different explanations of the value transition that would be required. Nonetheless, they were supportive of the take up of commercial values and responsive to the idea of commercial judgment in management. I suggest their rationales reflect the ongoing problem of a cultural transition that is incomplete but generally accepted at the level of management.

The senior executive officer of the Employee and Public Relations Division believed the success or otherwise of the commercial culture would depend on the ability of managers to act as mentors in the discretionary application of a practical commercial judgment that was absent in SEQEB. As he explained it: "the learning is geared to continuous improvement, its geared to innovation, its geared to doing things better, smarter, and all that sort of thing" and the success or otherwise of that depends on "the people who are given the job to lead". Furthermore, it involves a practical judgment whereby people are less rigid and more responsive to commercial situations. For instance, this CEO argued:

> "I mean even situations where other people are trying to come to an understanding on a particular item where you judge the answer to be and then figure out whether it happened that way. I mean the decision to invest, to buy something or not buy something, or implement something or not implement something, is this a good investment".

Managerial responses to the success of the commercial culture differed depending on the nature of their service, that is whether their business was a support or competitive service, and on the specifics of the values they believed were required.

The process owner of welfare, health and safety claimed to have been using quality principles in the area of safety well before it had become fashionable at an organisational level. On this basis, what was happening in terms of quality, continuous improvement, business process management, and the commercial culture, was as he referred to it "no different to what I have been professing in the field of health and safety for you know fifteen to eighteen years".

The process owner of training and education espoused the view that cultural inertia was tied to an embedded training culture where trainers trained people in technical skills rather than empowering them to use their commercial judgment. He believed the high value placed on technical skills and engineering proficiency prevented people in the industry from identifying with the values of a commercial culture[106].

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[106] The Training and Education Business Center is responsible for the electrical apprenticeships, and para-professional training. The center implements training courses designed specifically for the electricity supply industry (see *Connection*, SEQEB 1996).

By contrast, the line manager of the northern network service argued rationalization was going to occur, it was going to be about competition in the market, and managers simply had to be able to use their commercial judgment to be able to able to survive. Accordingly, the cultural inertia that remained did so because there were managers who would not believe there were competitors in the marketplace that could provide the quality of service that they already did, and do so at a lower price. In line with this argument this line manager noted the following contradiction in managerial work values:

> "You know whereas you see people that leave the public service and they go and work for themselves and their work ethic changes dramatically. You know if it worked in the public service, a situation if you asked people to work five minutes or later to do something you know they want to claim overtime, whereas if it is your own business ah you know they will work two days go in on a Saturday morning and they don't get paid for that, you know. And I have seen people who used to work for a companies like SEQEB and you look at their work ethic, and then they actually form their own company and what they expect at the workplace is a bit different from what they expected from themselves when they worked for SEQEB".

To some extent this particular cultural inertia was overcome by the whittling down of twenty-one branches to seven. In the restructuring process seven new line manager appointments were made, and following that all direct reports (those working directly under) to those managerial positions had to be filled. All jobs were spilled, from the higher level of line manager to the lower levels of administrative officers. There were a number of rounds of recruitment to get the right people in the right positions at the right time.

7.5.3 Commercialising the Work Ethics of Blue-Collar Employees

Irrespective of any managerial acceptance of cultural change, blue-collar employees remained embedded in a culture that valued the work that they did and equality of pay and conditions. In keeping with those values there were concerns for losses in the pay and conditions of collective labour.

Although the principles of total quality management had long been applied in the electricity industry, there was no clear understanding or demonstrated articulation by blue-collar employees of the newer human technology of business process engineering or of the commercial culture.

At best the field service co-ordinators, works management co-ordinators and installation inspectors who were interviewed, believed blue-collar employees understood in very simple terms that a contestable market framework would require much more of them. However, they doubted the ability or even desire of blue-collar employees to transform their actions along the lines of business process management, individual performance payments, gainsharing, and the values of the commercial culture.

The major rationales given by employees for opposing the commercialisation of their values stemmed from the insecure nature of the new commercial culture. As one field service co-ordinator explained it:

> "Once upon a time when you were here you were guaranteed to be here until you retired, provided that you didn't do anything or do something really bad…Now it's performance based arrangement and you have to come up with the goods".

According to the contestable market framework blue-collar employees would have to scope (or find) their own work out in the field, they would have to travel interstate if need be, come up with their own costing, work plans, and make their own commercial decisions.

All of this was in contradiction to the system that they worked under and there were doubts that the new culture would motivate workers anymore than the one currently in place. This is demonstrated by the following:

> "If you can't come to work and do a fair day for a reasonable wage... are you going to come to work and do more because somebody says oh, I'll give you this or I'll give you that."

Further, the issue for blue-collar employees was how it would be possible to develop a system of individual performance payments without falling prey to nepotism and inequality. For instance, in situations where people worked as a group and only one or a few persons received individual performance payments, how would it be possible to make equitable decisions about who would receive the pay and who would not.

7.6 Conclusion

In this case two competing worldviews existed; one was the dominant economic worldview, the other the political worldview of industrialism. The dominant

worldview entailed the interconnection of a formal rationality; i.e. a rationality of economic organisation, and a substantive rationality; i.e. a value rationality of commercial responsiveness in judgement. The industrial worldview existed alongside the other, imposing political restrictions on economic rationalism although their power was becoming increasingly weaker. This latter worldview entailed a political rationality of industrialism and a substantive rationality that values the work that is done and equality in terms of pay and conditions. On this basis, while the legitimacy of the dominant worldview increased it did not completely shore internal political interests nor buffer the political interests of industrialism. Hence, the existence of the competing interests of managerial and administrative staff as opposed to those of blue-collar employees, and the "out of sync" cultural effect at the level of organisation and work. That "out of sync" cultural effect is demonstrated by the value conflicts confronted by blue-collar employees, and by the failure of the management of SEQEB to align the values of the workers.

The findings suggest social action is co-ordinated through the interest positions of managers and employees in general, and through the strategic actions of higher-level management (the senior executive team) and industrial organisations of employees more specifically. Furthermore that the drive for cultural change is limited by the willingness of managerial and administrative staff as well as blue-collar employees to adopt the principles of the new commercial culture.

Work participation in this organisation determined by the variable interconnection of two competing worldviews. The dominant worldview of economic organisation achieves its' position through the pressure of market uncertainty, the imperative of structural reform, and to a degree through the success of the natural approach to human technology; i.e. total quality management, business process management, and the commericalisation of learning culture. However, given the existence of a competing worldview, and the demonstration of discretionary decisions or judgements that determine the basis of individual participation, the success of the structural and cultural reform of SEQEB and instrumental orientations to work remained partial.

On this basis, variations in the willingness to adopt the organisationally prescribed instrumental orientations to work varied for managerial and administrative staff, and blue-collar employees. On the one hand, most managerial and administrative staff adopted the values of the more instrumental worldview, while the values of the blue-collar employees remained embedded in the collective and more socially oriented worldview. On the other hand, this was not always the case with some managerial and administrative staff refusing to accept the need for competition at all, and some employees embracing the challenge of competition. The findings suggest the rationalised choices people make about the basis of their individual participation determine whether work participation is either willing and instrumental or willing and social. In this organisation work participation is becoming predominantly willing and instrumental. These findings are presented in Table 7.1 below.

Table 7.1 ORGANISATION AND WORK				
Organisations	**South East Queensland Electricity Board**	**Eagle Boys Pizza**	**NSW Sugar Milling Cooperative**	**Budge Ellis Staff Cooperative**
Organisation and Work: Economic Worldview				
Environment	v			
Structure	v			
Technology	?			
Internal Politics Human Behaviour	? v			
Organisation and Work: Political Worldview				
Control and/or consent strategies Industrial relations	X ? u			
Social Action				
Non-social, instrumental, Strategic	v			
Social, strategic, yet moral	?			
Individual Action				
Non-social	v			
Social	?			
Legends: v: rationalised action dominant, ? : rationalised action weak, X: no application. ? u: rationalised action weak and unanticipated in model.				

My findings in SEQEB support Weber's postulate of a descending or narrowing order of contingent motivations but not for all participants. A cultural marxist perspective suggests the integration of values may be partial and any lack of cultural integration can be attributed to competing interests and values. This is demonstrated in SEQEB through the reactionary counterculture of blue-collar employees.

CHAPTER EIGHT: EAGLE BOYS PIZZA

8.1 Introduction

In the previous organisation two competing worldviews existed; one was the dominant economic worldview, the other the competing political worldview of industrialism. In SEQEB while the legitimacy of the dominant worldview was increasing it did not completely dispossess the competing political worldview. Hence, the existence of the opposing interests and values of managerial and administrative staff as opposed to those of blue-collar employees. In sum the findings demonstrated a rationalized trajectory towards willing and instrumental work participation. In this organisation, Eagle Boys Pizza, there was no demonstrable conflict between worldviews. Rather a single worldview dominated and was sustained by a culture reinforcing willing and instrumental work participation.

8.2 Instrumental Rationality

In Eagle Boys Pizza action was coordinated through the instrumental strategic interests of the franchiser and the franchisees. Two series of interest motivations were isolated as the forces that shaped the instrumental rationality of the franchiser and the franchisees. While, in SEQEB there were competing interests between two general groups, the managerial and administrative staff, and the blue-collar employees, in Eagle Boys Pizza there were two groups of manager, the franchiser and the franchisees. Hence, both series of historical interests were directed toward economic motivations. Furthermore, those interests were mutually compatible.

At the same time the restrictions on economic rationalism were marginal. Government regulation was relatively new to the franchise industries and the focus was on protecting franchisees as consumers of franchise systems (Franchise Code Council Ltd 1997). This was the case whether the franchise structure was adopted in the fast food industry, oil industry, or any other franchise industry. Furthermore, although there were a small number of employees in the Eagle Boys Pizza stores[107], industrial relations played a minor role. Industrial relations had been outsourced (*The Bulletin*, Eagle Boys Pizza 1998:2), and according to the company lawyer, the intention was for "the human resource department to focus only on personnel and training".

As would be expected the effect of the historical interest motivations of the franchiser and the franchisees has been to legitimate an instrumental social order. Any questioning of the legitimacy of the franchise system or of the values that sustain it, were rarely raised. Rather the issue was how to limit all other affective and absolute value rationalities that may limit the ongoing success of the Eagle Boys franchise system.

8.3 Economic Organisation

In Eagle Boys Pizza an economic worldview was dominant. In this case organisation it was possible to identify more than a match or fit between environment and structure, and to discern opportunistic behaviour on the part of the entrepreneur such as would be consistent with a transaction cost approach to organization (Williamson 1975, 1981; Williamson & Ouchi 1981).

[107] According to the franchiser (Eagle Boys Pizza, Brisbane) there were approximately 1000 part-time and full time employees in stores across the East Coast operation.

Three aspects of rational organisation and one of natural organisation were highlighted by the findings. They were environment, structure, technology, and internal politics. First, the environment in the fast food industry played a key role in selecting or determining the success or failure of organisations. Second, the franchiser played an opportunistic role in displacing the past organisation structure for a new one. Third, inefficient governance structures at the technological or store operations level were replaced with new ones. Finally, the findings highlighted a natural approach to the internal politics of the organisation.

From my adopted cultural marxist perspective the above rational and natural aspects of organisation demonstrated the economic and internal political workings of an economic worldview. This worldview existed alongside but quite independent of government legislation of the franchise industry and indeed of industrial relations legislation. In this case the economic interest motivations of the franchiser and the franchisees were responsible for the buffering of any competing worldviews.

In the following four subsections (8.3.1, 8.3.2, 8.3.3, 8.3.4) I aim to build my story by describing the synergy of influences related to environment, structure, and technology, and the internal politics of Eagle Boys Pizza. In section (8.4), I explore the externalised political interests legislators in the franchise industry, and the eschewing of the political view of industrialism. Finally (section 8.5), I examine the narrow culture of Eagle Boys Pizza.

8.3.1 Meeting the Market Environment

At the time of my research Eagle Boys Pizza was attempting to meet the market where it was. Although the organisation had been in direct competition with pizza outlets like Dominoes, Pizzas Hutt, and Pizza Haven, a price war in the industry over the previous five years had brought all pizza outlets into direct competition with fast food or meal replacement companies. This meant Eagle Boys Pizza was competing in the fast food industry with other pizza outlets, and with companies like McDonalds, Kentucky Fried chicken, Red Rooster and Subway. On this basis, they were competing in a market environment where survival was based on high volume and low margins rather than say high margins and low volume. As one franchisee explained:

> "So now we are not only competing with pizza companies we are down on the same price and compete directly with McDonalds, KFC, and um basically all fast food systems are direct competitors and more and more we are getting down the same price bracket".

As the transaction cost approach would suggest the franchiser of Eagle Boys Pizza approached the market opportunistically. The franchiser believed survival in the industry would depend on internal growth (i.e. geographic expansion of stores) and on increased consumer consumption of the Eagle Boys pizza. As the franchiser described it, Eagle Boys Pizza was adopting an aggressive retail marketing campaign entailing:

> ‘‘The strategy of a company that sells a franchise at a lower cost than anybody else, that sells a pizza at a similar price if not more competitively than everybody else, with more quality than everybody else, and with franchisees that are more highly skilled in retail and sales than the majority of competitors’’.

This strategy was considered possible given consumer demand was expected to double over the next five to seven years. The expected growth in consumer demand was based on projected changes in lifestyle and the growing consumer preference for fast food when comparing the speed and cost of cooking at home.

8.3.2 Structures for High Volumes and Low Margins

At the outset Eagle Boys Pizza operated through a company structure and by opening three country stores in the areas of Albury, Wagga, and Dubbo. Although a considerable amount of capital investment went into the set up of those stores the large infrastructure produced problems the owner was unable to handle. After experiencing problems with operational issues and staff control the owner decided to visit America to study the franchise systems of McDonalds and Subway. He made the decision Eagle Boys Pizza would be changed from a company structure to a franchise one.

> “So I then decided to go to America to look at some franchise systems, which I did. I was highly impressed with companies such as Subway, McDonalds. And that is how I decided that Eagle Boys could have entire quantum leap and we would go from a pizza company to a franchise company. I then decided to sell all the stores and set up an administrative center, write all the manuals, write the systems, oversee the administration and marketing and build the service franchisees” (franchiser).

As transaction cost theory would predict Eagle Boys Pizza had gone through an initial period where its’ formal organization structures failed to meet the needs of the market.

As a result Eagle Boys Pizza was restructured to reduce transaction cost inefficiencies and to meet the market as a pizza outlet capable of high volumes and low margins.

Eagle Boys Pizza began operating as a franchise in 1989, and over time non-negotiable functional areas (i.e. areas requiring certainty and stability) were internalised, while other areas were transacted to outside firms on the basis of cost efficiency. In 1989 the East Coast operation of the franchise set up base in Coffs Habour. Stores were opened in Central Queensland, Far North Queensland, and Central Western and Southern New South Wales. A few years later, at about the size of thirty-five stores, Eagle Boys Pizza moved its' base to Brisbane City. At that time a strategic business plan was developed and the functional area of marketing internalised. The franchise began to grow rapidly and master franchises were opened in Western Australia and New Zealand. According to the franchiser the total number of Eagle Boys Pizza stores across those operational regions was expected to grow to over two hundred by 1999.

> "We are now continuing to grow by about two stores a month across the east coast of Australia and one store a month in Perth, and two stores a month in New Zealand and we are in the process of converting the chain of Pete's pizza in Victoria to Eagle Boys. Which will also be a master license. They have about seventy stores across Victoria. That takes us to just over two hundred stores by mid-way through 1999. And then we continue that around five stores a month in Australia and that is where we are today".

At the time of my research the franchiser was the managing director of the franchise system and owned seventy percent of the total business, while his business partner owned thirty percent. A small body of professional people ran the East Coast operation under the franchisers direction. The New Zealand and Western Australian master

franchises were owned and operated by two other managing directors. And another master franchise was soon to be set up in Victoria.

Although there were over 113 Eagle Boys Pizza stores in the East Coast Operation the organisational structure meant the core operation was relatively small. The franchiser had internalised the functions of marketing, technological or store operations, company law, financial control, and training. Other functions like advertising (a component of marketing) and industrial relations were contracted out.

Consequently, at the heart of this franchise structure there were the non-negotiable areas of marketing and operations. According to the marketing manager, he was:

> "always confronting marketing in an operational sense. If we have a store whose sales are below what I consider as being acceptable I might want to inject some funds into that area. But the operational department might say to me look it is a waste of time putting funds into that store because operationally she can't deliver a pizza in 30 minutes, or operationally the pizzas taste terrible".

The areas of marketing and operations were non-negotiable in the sense that image, promotions, the pizza product and the service had to be consistent, i.e. not open to uncertainty. Furthermore, the co-ordination of those two areas was considered essential to the strategy of geographical expansion. The marketing department determined the pizza deals to be sold and at what price, and the operations department provided the interface between marketing strategies and pizza production by ensuring store operations were kept in pace.

8.3.3 Governance of Technological Operations

The task of the manager and field coordinators of the operations department was to ensure the success of the stores. Hence, according to the operations manager a "good franchise operation", is evaluated by standards in "product, people and profit". On this basis, I suggest the governance of technological operations at the store level was consistent with a mix of rational and natural approaches to organisation.

In very general terms the operations department ensured a balance in standards of product, people, and profit. First, by checking the quality of the product going in or out of the ovens, and by checking procedures in food handling and hygiene. Second, by checking on staff uniforms and customer service within the individual franchise stores. Staff uniforms and customer service are intended to match the marketing image of fun. In keeping with this the uniforms, shop fronts, and logos are magenta pink, and staff are expected to maintain a good morale. Third, by checking on efficient product development. For instance, even going so far as to determine whether a store was using too many olives in one month or one week.

In total all three operational standards had to be balanced. Some franchisee stores while reasonably profitable might be lacking in people skills. This in turn could reduce profit. Further, some franchisees might not turn out a high quality product and so sales would be down. Other operational factors might also be affecting profit.

Importantly the managers and the field coordinators of the operations department acted as the interface between the franchiser and the franchisee. One the one hand, at head

office they would act as advocates for the franchisees explaining where marketing strategies might require operational changes, and providing feedback on where operational changes would work and where they wouldn't. On the other hand, in the field they would act as advocates for the franchiser ensuring operational standards met the volumes and margin required by the market. Tasks typical of these managers and field coordinators were implementation of new systems, deleting of redundant ones, site visits, store evaluation audits, and the provision of assistance, for e.g. when and where the franchisee required help with the cashbook, training, hygiene, etc. As the operations manager argued:

> "we are the interface between the franchiser and the franchisee. At head office here we act almost as an advocate for stores if that makes sense…Yet, in the field we act as an advocate for head office…".

As a consequence people in the operations department worked closely with people in the marketing department. If there were new marketing and pricing strategies requiring an increase in sales volume or a change in product development then the operational aspect of production would have to be reviewed. This might entail the purchase or leasing of larger ovens, new dough machines, maybe even a change in pan size, and or a change in staffing levels.

8.3.4 Internal Association for Joint Purpose

The findings suggest the internal political aspect of organisation operates as a kind of middle management to sustain the mutual interests of the franchiser and the franchisees. The findings are consistent with Pfeffers (1978) argument that formal organisation structures are the outcomes of internal political contests. The findings are also

consistent with my adopted stance, which is natural approaches like the rational ones ultimately sustain economic criteria.

Eagle Boys Pizza operates on the general franchise basis that distinguishes between intellectual property and physical property. The franchiser owns the intellectual property of the franchise system; namely, the marketing in terms of image, promotion, advertising, and the operating standards in terms of consistency in product and service. By contrast, the franchisees own the outlet businesses or shops, and the physical assets or ovens, dough machines etc. that produce the pizzas. As explained by the company lawyer:

> "the um ownership and control as far as the franchisee franchiser relationship goes, um is concerned with both who owns the physical property and who owns the intellectual property if you like. The most generically accepted definition of franchising on a world wide basis is franchising consisting of basically a system of marketing whereby many individual businesses um attain the benefits of this joint marketing, not necessarily from a pure market sense, but from the sense that image, and promotion, advertising, and standards are governed by one set of rules in through the organisation".

The franchiser and the franchisees are involved in a system of marketing based on a contract of agreement, but one that requires the coordination of individually vested but mutually compatible group interests. The franchiser and the franchisees had introduced a structured forum for the coordination of those interests. This forum was generally known as the National Franchise Advisory Council or NFAC and it was the type of forum typical of the franchise industry. The East Coast operation of the Eagle Boys Pizza franchise was divided into zones, each with a set number of franchisees, ranging from eight to twenty-two. The franchisees in those zones met annually to elect the

seven representatives that would act as delegates at the forum. The representatives for the franchiser were typically members of the core staff, e.g. the marketing, or operations managers. This NFAC met quarterly at the Brisbane base office to discuss the issues raised.

In Eagle Boys Pizza the NFAC was responsible for a considerable number of changes to the franchise system. Although, the power of the NFAC was only to represent the franchisees, it advised the franchiser of issues and grievances and provided a credible forum for dealing with issues about product development, marketing strategies, operational issues, in fact the discussion of all aspects of the franchise system. In sum, it provided a forum for joint management. As the franchiser put it:

> "It is a middle management that works, middle management don't usually work…these guys have got to look after the system and if we look after the system it will look after us. They get to hammer it out with the other ten or fifteen franchisees in their regions. They come up with a reasonable strategy, and bring it forward and we have a management that actually works".

8.4 Sustaining the Rational Economic Impulse

In this organisation an economic worldview dominates, while internal political processes sustain it. In the following subsection (8.4.1) I demonstrate how government legislation specific to the franchise industries does little to undermine economic rationalism. Next, I highlight how the arena of industrialism plays a limited role with respect to franchise industries and Eagle Boys Pizza. In suggest the political worldview of industrial is marginalised and on that basis fails to limit economic rationalism.

8.4.1 Imposing A Mandatory Code of Practice

Historically, franchising in Australia has been unregulated. However, in the early 1990s a voluntary code of practice was established. The aim was to develop a self-regulatory system following world best practices in franchise industries. That voluntary code was documented by the Franchising Code Council Ltd, given interim authorisation by the Australian Competition and Consumer Commission, and endorsed by the Minister for Small Business (Franchising Code Council Ltd 1997).

The Franchising Code Council underwent a number of name changes but became known as the Franchise Association of Australia and New Zealand Limited (FAANZ). The FAANZ administered the code of practice with the aim of providing a fair deal in franchising. Whilst in operation it had been funded by the franchising sector and had received initial funding support from the Commonwealth Department of Industry (Franchising 1996).

Unfortunately, although voluntary rates of compliance had been good there had also been a number of reports to the Federal Government about the unscrupulous behaviour of a number of franchisers. In response, a body called the Franchise Co-Council was established. As explained by the company lawyer "its purpose was to encourage people in the sector, um the franchise sector to comply with the code of practice and it ah had the power to uh to sanction people who failed to comply". Ultimately though that Co-Council was unsuccessful. The company lawyer gave two reasons: "the federal government withdrew their support from it and it was intended to survive solely on

membership subscriptions"… and there was the threat of litigation against that organisation".

At the time of my research the Federal Government had announced it was to legislate several sectors of the franchise industry with a mandatory code of practice. That legislation deemed the authority for administering the code of practice to the Australian Consumer and Competition Commission and the Franchise Policy Council was set up to draft the contents of the code. The Franchise Policy Council grappled with a definition for franchise organisation, one that would *not* extend to organisations with multiple offices and where they were not considered to operate as franchise systems. The final draft was expected late 1998 but was overdue.

From the point of view of Eagle Boys Pizza the impact of the mandatory code of practice was expected to be marginal. According to the franchiser, Eagle Boys Pizza had always followed the self-regulatory code of practice, and adhered to "the broad bat of trade practices covering small businesses". Further, while the company lawyer believed the draft had a heavy emphasis on information disclosure prior to and after the signing of a franchise agreement, he did not believe "there would be a significant impact" on the way things were done in the Eagle Boys Pizza franchise system. The impetus for the mandatory code was attributed to the public perception that franchises had become large and powerful organisations capable of exploiting franchisees. Furthermore, the Federal government sought to protect the franchisees as consumers and to regulate a previously unregulated industry.

In reality Eagle Boys Pizza was neither a large and powerful organisation nor did the franchiser believe franchisees were being exploited. The core operation of Eagle Boys Pizza was a relatively small business with approximately twenty-five employees at head office. Further, the franchiser was operating on a contractual basis with a number of other small business entities that were separate but a part of the franchise system of marketing. The franchiser believed they were abiding by the code of practice, whether that be voluntary or mandatory. As the franchiser put it: "we are out here in the retail world slugging it out with everybody else… I don't see that what we do is an issue."

8.4.2 The Marginal Impact of Industrialism

Compared to the SEQEB case, industrialism played a minor role in Eagle Boys Pizza. The Retailers Association of Queensland or the Queensland Chamber of Commerce and Industry dealt with industrial relations issues. In line with changes in the political arena of industrial relations a representative of the Retailers Association had conducted presentations to all NFAC areas to explain the details of a proposed certified agreement. Rather than dealing in house with industrial relations issues the managers of the franchisee stores were provided with information kits detailing the stages of the proposed roll out of that certified agreement (*The Bulletin*, Eagle Boys Pizza 1998).

Neither the introduction of a mandatory code of practice in the franchise industry, nor changes at the political institutional level of industrial relations had an impact on the historical interest motivations of the franchiser or the franchisees of Eagle Boys Pizza. Rather, I suggest the mandatory code of practice serves to bolster the individually vested but mutually compatible interests of the franchiser and the franchisees. Further,

the marginal impact of industrialism is to be expected given the strength of the franchiser and franchisee relationship.

8.5 A Culture of Shared Pain

In this organisation the dominant economic worldview was legitimated by a value rationality of sharing in the pain of economic growth. These findings support Weber's (1978a) postulate of a descending or narrowing order of contingent motivations. I suggest this was the case for the majority of participants. Moreover, that the findings highlight a purer case of instrumental action.

Societal rationalization was sustained in Eagle Boys Pizza by a culture that valued the sharing of pain in economic growth. The culture did not require any transition from a past to a present culture. Rather, the culture that existed involved the buffering of a value rationality that was mutual to the franchiser and the franchisees. In line with this franchisees were expected to suppress all other extraneous values, i.e. values unrelated to the cultural of the franchise marketing system. The dominant economic worldview of Eagle Boys Pizza was sustained by a culture of instrumental values.

Cultural rationalisation called for the adoption of a singular value that bolstered the release of the economic impulse. For the franchiser and the franchisees the ongoing economic cost of meeting the market could only be accounted for through adjustments to the franchise system. Hence, while the vested interests of the franchiser and the franchisees were mutually compatible and sustained by one type of value rationality, there needed to be an ongoing balancing of those interests.

8.5.1 The Economic Pain of Meeting the Market

The forum for coordinating the interests of the franchiser and the franchisees was the NFAC. In this subsection, I demonstrate the value rationalism that sustains the coordination of interests for both the franchiser and the franchisees. The franchiser, professional employees of the franchiser at head office, and an NFAC representative of the franchisees all placed a heavy emphasis on the sharing of economic pain in meeting the market.

According to the NFAC representative issues raised for the forum were often a direct result of meeting the competitive market. The price war amongst pizza outlets had resulted in a high volume, low margin strategy that had cost implications for both the franchiser and the franchisee. Whilst it was generally believed head office was not responsible for market changes it was considered appropriate there be adjustments to the costs borne by the franchisees. On the one hand adjustments paid for by the franchiser were typically the cost of setting up the store, and fees for marketing and operations systems. On the other hand, it was considered appropriate the franchisee bear the costs of maintaining the frontline store image and the replacement of old ovens and or dough machines. These types of decisions were typical of the agenda for the NFAC.

Furthermore, the representative attributed the success of the franchiser and franchisees in dealing with these issues to the NFAC.

> "It is the national franchise advisory council or the NFAC as they are generally referred to as advisory councils in the franchise industry. It is not peculiar to Eagle Boys um how successful or how sincere the franchiser is in listening to the franchisees I am sure covers quite a large... it has been very relevant to Eagle Boys it has been responsible for lots of adjustments to our system and good for the franchisees and the system consequently and it generally has high degree of credibility. It is not something that is just tolerated. It is not just something we give lip service to".

Hence, through the NFAC the franchiser and franchisees meet the market by sharing in the pain of economic growth. As the NFAC representative explained it:

> "There is a degree of pain in it for the franchisee but there has also got to be a degree of acknowledgement that um the competitive nature has meant that there have been more demands placed on head office as well and so…their infrastructure was probably bigger than it was anticipated that it would be five years ago and so that comes at some cost. And for us to be competitive in the marketplace we have to have a healthy head office as well as anything else. So while it is painful it is not brought about by head office".

Or when viewed from an operations point of view: where the market is changing rapidly and franchisees have difficulty keeping their operations at pace, there may not be a dispute but there would be pain in it for both the franchiser and the franchisee. As the operations manager put it:

> "Well if the franchisee is unprofitable because they haven't been able to change with the market then we don't get paid. So we derive all of our income from our franchisees…so therefore if he can't afford to pay his gas bill, he can't afford to pay us and so ah, we share in the concern."

Further, for the franchise system to expand geographically both the franchiser and the franchisee had to be willing to share in the pain of economic growth. On the one hand whilst the marketing manager might want to inject funds into a geographic area, the franchisees also had to be willing to experience the pain of economic growth. As argued by the marketing manager:

> "The contractual obligation is that they must abide by what we say. Um, but you actually have to have a willingness to go to the next level because if you have a store and you go to the level of whatever, there is then the next capital expenditure of buying more equipment and buying a bigger oven with more capacity and things like this… So whilst you have your store in Mt. Gravatt earning $7k with one oven, you go to $15k and you may need to spend another $85 per week lease payment to lease another oven. You may not want to do that and nothing in the world is going to make me convince you if you don't want to do it."

8.6 Conclusion

In this organisation the dominant economic worldview entailed the interconnection of a formal rationality; i.e. a rationality of economic organization, and a substantive rationality; i.e. a value rationality of individual economic growth. At the same time, the political interests that might restrict economic rationalism were successfully buffered. Government regulation was relatively new to the franchise industries and the focus narrow in that it aimed to protect franchisees as consumers of franchise systems. Furthermore, the worldview of industrialism played a marginalised role. As would be expected the effect of the interest motivations of the franchiser and the franchisees has been to legitimate an instrumental worldview. Furthermore, the dominant economic worldview has been sustained by a value of sharing in the pain of economic growth. On this basis the values of the franchiser and the franchisees were aligned.

These findings suggest social action is co-ordinated through the strategic interest positions of the franchiser and the franchisees. Further that the drive for cultural rationalisation whilst meeting few obstacles is dependent on the willingness of franchisees to share with the franchiser the pain of economic growth.

Work participation in this organisation was dominated by a single worldview. Hence, while there was interplay between the economic worldview and the internal political association of the franchiser and the franchisee, and the external political worldviews, there were few restrictions on economic rationalism. The dominant economic achieved its' legitimated position through the pressure of meeting the market, and through the moral dictums or saying espoused by the franchiser and the franchisee; i.e. sharing in the pain of economic growth. As such, both the franchiser and the franchisees demonstrated a willingness to adopt the organisationally prescribed orientation to work. This suggests the rationalised choices people made about the basis of their individual participation resulted in willing and instrumental action. Thus, instrument action dominated and there were no real competing interests and values. These findings are presented in Table 8.1 below.

Table 8.1 ORGANISATION AND WORK				
Organisations	**South East Queensland Electricity Board**	**Eagle Boys Pizza**	**NSW Sugar Milling Cooperative**	**Budge Ellis Staff Cooperative**
Organisation and Work: Economic Worldview				
Environment	v	v		
Structure	v	v		
Technology	?	v		
Internal Politics Human Behaviour	? v	v X		
Organisation and Work: Political Worldview				
Control and/or consent strategies Industrial relations	X ? u	X X		
Social Action				
Non-social, instrumental, Strategic	v	v		
Social, strategic, yet moral	?	X		
Individual Action				
Non-social	v	v		
Social	?	X		
Legends: v: rationalised action dominant, ? : rationalised action weak, X: no application. ? u: rationalised action weak and unanticipated in model				

These findings support Weber's postulate of a descending or narrowing order of contingent motivations. I suggest while this was the case for the majority of participants, and there were internal political issues concerning the balance of costs between the franchiser and the franchisees there was little evidence of a reactionary counterculture.

CHAPTER NINE: THE NSW SUGAR MILLING CO-OPERATIVE

9.1 Introduction

In SEQEB socio-cultural rationalisation was premised on a dominant economic worldview and a competing political worldview. Two sets of competing interests and conflicting values sustained those worldviews. Comparatively, in Eagle Boys Pizza socio-cultural rationalisation was premised on a single worldview sustained by mutually compatible interests and values. Findings across the two organisations demonstrate how rationalisation may be sustained by social action that is predominantly instrumental. The findings also demonstrate how where they exist reactionary countercultures can mediate the legitimacy of a dominant worldview.

In this chapter (9) I build on previous stories. I compare the interests and values of the growers, the board of directors, and the employees of the NSW Sugar Milling Co-operative. In this co-operative organisation there was a dominant social worldview.

9.2 Social Rationality

Although the worldview of SEQEB was predominantly instrumental, and that of Eagle Boys Pizza purely instrumental, the worldview of the NSW Sugar Milling Co-operative was predominantly social. In the co-operative social action was coordinated through the competing interests of the growers, the board of directors, and mill employees. As such, three series of interest motivations were identified as the forces that affected the social worldview. In SEQEB there were competing interests between two general

groups, management and administrative staff, and blue-collar employees. And, in Eagle Boys Pizza there were the mutually compatible interests of the franchiser and the franchisees. By contrast, in the NSW Sugar Milling Co-operative, while the board of directors' interests upheld the social strategic, yet moral, interests of the community of cane growers, there remained competing interests amongst the growers, the board of directors, and the mill employees. On that basis, although the dominant worldview was social, there were competing interests and values.

The NSW Sugar Milling Co-operative was formed with government assistance. Although Federal Government policy on co-operatives has been erratic there have been historical peaks in government activity that have helped develop and sustain rural co-operative organization (Jao 1997). On the basis of a financial report provided by the NSW Cane Growers' Association (*Report by the Council*, The NSW Cane Grower's Association 1977), the growers were able to secure a $3.05 million State bank loan and $3.1 million of State government funding (*NSW Sugar Milling Co-operative Directors Report* 1979). With that money the growers purchased the Condong, Broadwater, and Harwood sugar mills.

The purchase of the mills by the cane growers increased the mutuality of interests and values between the growers. Hence, a dominant worldview became legitimated. This did not dispel the at times opposing interests of the board of directors or those of the mill employees. Consequently the dominant social vied for legitimacy, in the context of

the productive concerns of the board of directors, and the competing worldview of the industrial organisations of employees.

9.3 Social and Economic Organisation

Organisations in the Australian Sugar Industry are either publicly owned or cane-grower owned. Further, the cane-grower owned organisations are either proprietary limited companies or co-operatives (Queensland Sugar Corporation cited in *Report of the Sugar Industry Review Working Party* 1996a: 51). The NSW Sugar Industry is characterised by organisations that are predominantly cane grower owned and co-operative based (ibid).

The protected Australian Sugar Industry and past historical ties with the Queensland Sugar Industry created an environment that supported the formation of a NSW co-operative. The recommendation a co-operative should be formed came from CSR (Queenland Sugar Corporation):

> "To explain fully the reasoning which has led to this conclusion, and to the additional conclusion that it would make sense in the NSW context for the mills to be co-operatively owned, would require going into greater financial detail than is appropriate here. But a co-operative organisation owning the NSW mills would be in a position to justify investment in sugar milling capacity on quite different tests than CSR or any proprietary mill owner must supply" (Address to the NSW Cane Growers' Annual Conference, CSR 1975:8)

That recommendation, was supported by the NSW Cane Growers' Association:

> "After a detailed feasibility study, we have concluded that purchase of the mills will provide the best prospect for a continuation of cane growing in NSW. We therefore wish to seek your approval for an agreement to purchase the mills and to form a co-operative for this purpose" ('*The Proposal That A Co-operative be Formed*', NSW Cane Grower's Association 1997:2).

The development of the NSW Sugar Milling Co-operative in 1978 and the subsequent formation of a number of NSW cane-harvesting co-operatives implied co-operative organisation was suited to the environment and attributed a high degree of legitimacy. On that basis I suggest population ecology theory (Hannan & Freeman 1977, Aldrich 1979) can be drawn on to explain the ongoing success of co-operative organisation in the region, the increasing number of co-operatives over time, and the point at which a conversion from a co-operative structure to a company structure might be considered. The influences of environment, structure and technology were important. First, the environment of the NSW Sugar Industry played a key role in selecting or determining the co-operative structure of the NSW Sugar Milling Co-operative. Second, the general success of the NSW Sugar Milling Co-operative legitimated the choice of a co-operative structure over a company structure, and was followed by the subsequent development of cane-grower harvesting co-operatives. Third, technology occurs at a number of production processing sites that affect the organisation of growers, and mill employees. Finally, although the co-operative structure is successful there remains a point at which the cane growers will consider conversion to a company structure.

From my adopted theoretical perspective the co-operative was sustained by a dominant worldview that vied for legitimacy alongside the at times competing worldviews of the

board of directors and those of the mill employees. In the following four subsections (9.3.1, 9.3.2, 9.3.3, 9.3.4) I aim to build my story by describing the environment, structure, technology, and internal politics of the NSW Sugar Milling Co-operative. In the next major section (9.4) I explore the competing interests of the board of directors and those of the mill employees. In the next section (9.5) I examine the moral dictums or sayings espoused to sustain the dominant social worldview of the cane growers.

9.3.1 Market Determination

Prior to the formation of the NSW Sugar Milling Co-operative the continuance of the NSW Sugar Industry had been in doubt. The NSW Sugar Industry, when compared with the Qld Sugar Industry, was considered to suffer from a number of disabilities. Some of these had to do with the climate of NSW and or other physical factors that affected crop cycles. For instance, there is typically less humidity and less rain in the NSW region, and the result is a two-year crop cycle compared to the one-year crop cycle in Qld. Other perhaps more important disabilities had to do with the central role of CSR and the lack of NSW State government support. CSR in its role as owner of the NSW mills was considered a milking cow. As the Deputy General Manager of CSR put it:

> "political leaders, local government authorities and others will continue to regard CSR, in its role as owner of the NSW mills, as a milking cow; a big company that makes substantial earning from mining and other activities which can always be relied upon to do what is necessary to keep the NSW industry going" (CSR 1975).

Although the long-term health of the NSW Sugar Industry required an expansion in both growing and milling, CSR was not prepared to take on that task. Historically there had been an inability on the part of the NSW cane growers to fill the sugar quotas allocated to CSRs' NSW mills (ibid). It was believed a co-operatively owned mill rather than a proprietary owned mill would be the only way to justify investment in the expansion that was required. As the Deputy General Manager explained:

> "To justify investment, any proprietary miller must be able to secure an acceptable return from the milling investment itself; to pay interest and to make a profit after paying taxes at company rates. For a co-operative mill, however, it may often represent good business practice and common sense to forego a profit element in the return from the investment in mill capacity, for the sake of enhancing earnings from cane growing and of preserving the capital value of the investment in cane production" (ibid).

It was also believed the newer systems of mechanical harvesting and road transport had replaced manual harvesting and river transport, would provide sound opportunities for growth, should the cane-growers be prepared to form a co-operative.

As the population ecology approach would suggest the market environment determined or selected the type of organisation that was to survive in the NSW Sugar Industry. After a detailed feasibility study, the New South Wales Cane Growers' Association concluded the best prospect for a continuation of the NSW Sugar Industry was indeed the formation of a cane grower co-operative, and further that the cane growers should purchase the Condong, Broadwater, and Harwood sugar mills (NSW Cane Growers' Association 1977).

At the time of my research (some twenty odd years later) the NSW Sugar Milling Co-operative was competing in the domestic refined sugar market and intended to increase activity in the raw sugar export market. In the domestic refined sugar market the co-operative suffered from over capacity and intense price competition but maintained their domestic market position through direct sales of products by the Manildra Harwood Refinery[108]. In the export market they had undertaken direct export of raw sugar for the first time and like other Australian exporters of raw sugar were subject to fluctuations in world prices. Where prices fell the only solution was to increase production in a bid to maintain income. It was the co-operative goal that local production capacity should eventually exceed the capacity of the Manildra Harwood Refinery, and while they would continued to sell refined sugar in the domestic market they hoped to sell more raw sugar on the export market (*NSW Sugar Milling Co-operative: Annual Report* 1996, 1997).

9.3.2 Co-operative Structures

Since 1978 the NSW Sugar Industry has been characterised by structural inertia rather than structural change. Not only has the NSW Sugar Milling Co-operative structure been maintained there have been subsequent formations of cane-harvesting co-operatives in the region. The majority of those harvesting co-operatives are also owned and administered by the cane-growers. As one mill employee explained:

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[108] The Harwood Sugar Refinery was built in 1990. The refinery operates alongside the mill at Harwood. It is owned by a joint venture company, Manildra Harwood Sugars, in which the co-operative is a 50% partner. The product 'Sunshine Sugar' is supplied in the domestic industrial market, comprising food and beverage manufacturers and re-packers (Sunshine Sugar Brochure, 1997).

> "the cane farmers association get involved in the administration of harvesting co-operatives. It is another important development in the evolution of the co-operative… the way harvesting is carried out or how it is managed".

At the outset, the principle object of the Co-operative was to purchase, operate and maintain the Condong, Broadwater, and Harwood sugar mills, and to sell and market sugar, molasses and other cane by-products. The following co-operative rules were drawn up and submitted to the NSW Registry of Co-operatives (*Report by the Council of The New South Wales Cane Growers' Association*, NSW Cane Growers' Association, 1977). Each grower who held an assignment for land[109] with the Condong, Broadwater, and Harwood mills was requested to join the Co-operative by applying for 130 shares in its capital for each hectare of assigned land (Stephen, Jacques & Stephen 1978:2 cited in *Report by the Council of The New South Wales Cane Growers' Association,* NSW Cane Growers' Association 1977:13). It was decided a board of directors would determine the timing and extent of share calls, depending on the financial requirements of the Co-operative. To ensure that membership and shareholding remained with the co-operative, shares where directly linked to the holding of assignment and could only be transferred with the consent of the board of directors. That board consisted of six grower members, two of whom held assignments with the Condong mill, two of who held assignments with the Broadwater mill, and two who held assignment with the Harwood mill. Additional directors were

[109] 'Assigned land' means an area of land that was/is the subject of a production area entitlement, known as the gross production area entitlement or PAE of the cane grower. The PAE when planted to cane was/is measured by the Co-operative and recorded on mill plans (*NSW Sugar Milling Co-operative By Laws*, 1977).

to be elected on the basis of the knowledge and experience they could offer the co-operative.

At the time of my research the co-operative structure remained intact. However, the objectives of the co-operative were extended to encompass a larger range of commercial activities (*Rules of the NSW Sugar Milling Co-operative* 1996). The issuing of shares was used to raise co-operative capital with the provision the amount was not to exceed twenty cents for each share held by each member. Growers were not qualified to be a member of the Co-operative unless they actively supplied more than 200 tonnes of sugar cane. Finally, the structure of the board of directors had been altered slightly to consist of nine grower members, three from each of the mill areas[110].

According to the company secretary of the NSW Sugar Milling Co-operative the co-operative structure overlays a management structure similar to that of a typical corporation[111], "for all intents and purposes the co-operative is a public company". Furthermore, the Broadwater mill is the site of a corporate management panel, comprising a company secretary, general manager, as well as managers of computing systems, engineering, agricultural services, and human resources. Those managers prepare monthly operations reviews, and the general manager prepares a report for the monthly meeting held by the co-operatives' board of directors. Consequently a managerial structure exists at that mill site, and indeed at the other mill sites.

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[110] Three of those directors are also members of the board of directors of Manildra Harwood Sugars.
[111] This management structure was in place prior to the formation of the NSW Sugar Milling Co-operative and it was always intended that the management and technical services developed by CSR would stay on after the transfer of ownership (CSR 1975).

The subsequent development of the cane-harvesting co-operatives has been attributed to the simple but effective means that co-operative organisation provides for the pooling of the cane growers financial resources,

> "Part of the reason is, if we go back to the early years, when you are worried about that big lot of finance and when you haven't got a lot the easy way seemed to be co-operatives" (President of the (NSW River Regions) Tweed, Clarence, Richmond Rivers Cane Growers' Association).

For instance, in the Broadwater mill area there were eleven harvesting groups. Eight of those harvesting groups are co-operatives and the others are companies. The harvesting groups operate separately to the NSW Sugar Milling Co-operative and separately to each other. Their formation was a consequence of the change from manual to machine harvesting. With the introduction of mechanical harvesting in the early 1970s, the cane growers were faced with the problem of buying harvesting machinery they could not afford. In those early days, the only way in which it was possible to obtain the machinery was to form harvesting groups or co-operatives and share the lease costs. As the cane growers' farms grew it was realised there was not enough time for growers to both grow the cane and harvest it. Over time a number of the harvesting co-operatives had purchased their own harvesting machinery and begun employing operational staff.

In this way and over time the co-operative type of organisation has become the dominant type of organization form in the NSW Sugar Industry. Not only has the NSW Sugar Milling Co-operative maintained its structural identity, further cane-

harvesting co-operatives have been formed, adding to the legitimacy and numbers of co-operative based organisations in the region.

9.3.3 Technology: The Process of Cane Production

In the NSW Sugar Milling Co-operative technology occurs at a number of production processing sites. Initially the farmers grow the cane and the cane-harvesting groups harvest the cane. The harvesters cut and load cane into in-field transporters that tip or elevate the cane into bins at central locations on the farm. The bins are then transported to the raw sugar mills by road (*Sunshine Sugar Brochure* 1997). From that point it is the mills' responsibility to transport the cane to the mill site, where it is crushed and milled. The raw sugar is then transported to the Manildra Harwood Refinery and from there sold on the domestic market. Alternatively it is transported to the bulk sugar terminals in Qld for sale on the export market.

Each grower[112] who is a member of the Co-operative is granted a production entitlement area (PAE) of land on which the cane may be grown. That PAE when planted is measured by the Co-operative and recorded on mill production plans. To ensure orderly and efficient harvesting and transport to the mill, the co-operative decides on the timing and quantity of cane to be cut. Harvesting groups are notified at least twenty-one days prior to the start of the crushing season what the times and quantities will be. Hence the burning, harvesting and delivery of the cane is highly

[112] At the time of my research there were 650 grower members in the co-operative (*Report of the Sugar Industry Review Working Party*, 1996a: 53).

organised. A farm rating committee determines the level of acquisition of cane to the mill on the basis of the cane growers average production from the best four years over the last five years. Finally, the price of the cane is determined, not only by the price of the sugar in the market but also by the sugar content of the growers' cane[113].

The cane is planted between mid-August and October and the crop is harvested in the July to November crushing season. Once the cane reaches the mill site it goes through a series of process stages including crushing, clarifying, evaporation, crystallization, and separation by centrifuge and drying (*Sunshine Sugar Brochure*, NSW Sugar Milling Co-operative 1997).

According to the human resource manager, during the crushing season those processing stages are undertaken on the basis of continuous processing, and "the workers in the mill are actually operating a continuous operation over seven days a week". At the time of my research approximately two hundred staff were employed on individual contracts, and close to three hundred employees were covered by an enterprise agreement[114]. Apart from the pay and conditions of the enterprise agreement there were no other incentive schemes and a notable absence of a human resource management system. Most incentives to work came through security of employment,

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[113] These arrangements were set out in a Memorandum of Agreement for the period 1993-1998. The Memorandum of Agreement is a contract between the growers and mill management. It specifies the arrangements for production area entitlement, harvesting, acquisition of sugar cane, refusal of sugar cane, and payment. In Queensland there are awards that cover the same arrangements (e.g. Rocky Point Award, Plane Creek Award).

[114] The most recent industrial relations agreement was the Sunshine Sugar Certified Agreement of 1997.

which was attributed to a fairly good standard of income, the desirable east coast life style, and the employment of local people. As one mill manager explained:

> "we don't get much turnover here, for a number of reasons…we offer security, we offer a fairly good standard of ah income for people who live in this part of NSW. We are located in a very desirable part of the East Coast of Australia. So people would ah look at the overall package if you like, and say well I earn this much, but I also live here and they don't want to move away. So we have got a large number of people who have been here for a long time".

The employees were either shift workers who operated the machines in the mills or day workers who looked after the maintenance and general service work.

9.3.4 The Economic Limits of Social Organisation

Although the NSW Sugar Milling Co-operative is successful there remains a point at which the growers' will consider conversion to a company structure. This is consistent with the population ecology argument organisation types will increase in numbers and legitimacy in a particular industry until the point at which they impose restrictions (Hannan & Freeman 1977, Aldrich 1979). It is also consistent with the argument conversion is often a consequence of the limitations co-operative principles place on issues of capital (Cronan 1995:80).

In the early stages the formation of the NSW Sugar Milling Co-operative and indeed that of the harvesting co-operatives provided welcome financial benefits for the members. First and foremost, the development of the NSW Sugar Milling Co-operative seemed the only viable way to raise the funds required for the purchase of the three mills. In addition though, there were attractive tax incentives associated with the

co-operative structure that were not available with a company structure. As explained by the company secretary on the board of directors, "in co-operatives profits can be distributed and the distribution of the profits becomes a tax deduction". Furthermore, "the other big advantage with co-operatives is that if it takes out a government loan, the repayment of the government loan for the co-operative is tax deductible"[115]. In addition, the formation of the harvesting co-operatives provided the farmers with a pay as you go solution to the leasing of harvesting machinery.

The time at which the co-operatives 'should consider conversion' is a moot point amongst the members. Although members were originally happy with the structure, over time with the introduction of new members, variations in the growth of individual farms, and changes to co-operative legislation, some key dissatisfactions became evident. One dissatisfaction concerned variations in the size of land holdings. Whereas a cane grower with a large land holding might consider substantial investments in farm machinery and infrastructures, a cane grower with a small land holding may not be in any position to invest. Another disparity concerns the voting system. Originally, co-operative members voted on the basis of a sliding scale with the larger landholders being entitled to a maximum of three votes (*Report by the Council of the NSW Cane Growers' Association* 1977). That voting system was changed in 1992 to a system of one vote per member (NSW Co-operatives Act of 1992). While this increased the voting power of the smaller landholders thereby improving the level of

[115] This situation still exists, although the more recent introduction of dividend imputations and tax credits for companies makes the tax incentives between co-operative and company structures more comparable.

democratic rule, it also increased disagreements between the smaller and larger landholders. As a representative from the Richmond River Cane Growers' Association explained:

> "It is about the equity and you will find now that a lot of people who were totally co-operative minded wish it would just go away and they could form a company structure…because there is such an imbalance in equity…"

A related and equally serious concern is the sharing of monies in the event a decision is made to sell the co-operative. And, as one large landholder put it:

> "As it stands at the moment, if you had a… let's say you grew 1000 tons of cane, and you were a member of this co-operative, you sort of worked away, and you were a member from the very early stages of this co-operative, and you have got a farmer over here that grows 10,000 tons of cane, if that co-operative was sold tomorrow under the co-operative structure, and that $1.5 million was split between those two guys, they would get half each, which seems totally unfair, but that's his share of it".

Hence, at the time of my research there was a situation where a lot of the early members who had been totally co-operative minded now "wished it would just go away" and they could form a company structure.

In the NSW Sugar Milling Industry the co-operative structure has provided a viable means of pooling early financial resources. In addition, the harvesting co-operatives can merge in the event of financial crises. Nonetheless, as some members have increased their financial equity at a faster rate than others, it seems for those members the principles of democracy can impinge on financial growth, commercial decisions,

and their future capital base. Needless to say the conversion to company structures is considered an option[116].

9.4 Vying for legitimacy

Whilst a social worldview dominates in the NSW Sugar Milling Co-operative, it vies for legitimacy in the context of the at times competing interests of the board of directors and those of the mill employees. Combined the competing interests of the groups illustrate how co-operative organisation and employee organisation can impose separate restrictions on economic rationalism, yet still meet in competition. In the following subsections (9.4.1 and 9.4.2) I demonstrate the competing interests of the growers, the board of directors, and mill employees.

9.4.1 The Board of Directors

In the days when the mill was owned by CSR there was a distinct difference between the owners of the mill or the miller and the cane farmers. The Australian Sugar Producers Association[117] represented CSR the miller, and the NSW Cane Growers' Association represented the cane farmers[118].

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[116] Lewis (1995:71) argues the issue of conversion may not be a bad thing. He suggests the fact that co-operation has developed business or industry to a stage where it presents an attractive takeover may not be a bad thing given it might be of considerable benefit to overall national economic development.

[117] In later years this organization was restructured to form the Australian Sugar Milling Council (see *Australian Cane Farmers* 1996:14, 1997:14-15).

[118] The NSW Cane Growers' Association plays a distinct role in the NSW Sugar Industry and has affiliations with the national Australian Cane Farmer Association.

With the forming of the co-operative the board of directors took on the role of representing the interests of production in the mill, while the NSW Cane Grower's Association continued to represent the cane growers. The distinct role of the NSW Cane Grower's Association is to work out the terms and conditions of the memorandum of agreement, otherwise known as the sugar contract.

Although, the board of directors consists of nine cane farmers and interests can be muddied, there still exists a 'them and us' attitude between the Board of Directors and the NSW Cane Growers' Association. As explained by one director:

> "The reason I think the reason for that is when CSR sold the mills they left all the staff behind…And all that is saying is the face they still see in the face of CSR. The still see the same people… A lot of them say well nothing has changed it is still CSR… In actual fact CSR don't own it but all the old CSR staff, by and large nearly all the staff are still old CSR people…They say well they are still here from CSR… and it is still very much a them and us".

The conflict of interests that arises between the cane farmers and the board of directors can be a consequence of either issues related to the memorandum of agreement or to decisions concerning the pay and conditions of employees at the mill.

9.4.2 The Mill Employees

At the time of my research industrial relations was a sensitive issue. Negotiations on the *Sunshine Sugar Certified Agreement* 1996 had resulted in a lock out. The employees were denied access to the factory while the growers were left with burnt cane in the field and a huge financial loss. The lock out also caused the cessation of

refining operations for three weeks and a delay to the beginning of the crushing season 1996 crushing season (*NSW Sugar Milling Co-operative Annual Report* 1996:15).

Historically the unions have had a very strong presence at the mills. Consequently, the employees were covered by three federal parent awards and represented by four unions[119], the largest of those being the Australian Metal Workers Union. The dispute was over pay, but perhaps more importantly over the conditions to be included in the upcoming enterprise agreement. The human resource manager, at the Condong Mill, explained the concerns of the employees:

> "Ah their main interest was in protection of award conditions um carrying over from… ah carrying over the period of agreement… and the reason I say that is the Workplace Relations Act (1996) requires parent awards to be rationalized into areas… so that the idea is to take the specifics out of the parent awards and to address them in the enterprise awards and the employees were concerned that because we were negotiating an enterprise agreement in this transition period… that um they were concerned that their conditions would be dropped off".

In the first instance, the union was seeking a wage increase. In the second instance, they were concerned any rationalisation of the parent awards into enterprise agreements might result in losses in the conditions of work for employees. Although there was a lock out, the end result for the employees was the conditions of the parent award would be carried for the term of the enterprise agreement, and they would receive a 7% increase over two years.

[119] The Australian Workers Union (AWU), the Australian Metal Workers Union (AMWU), the Electrical Plumbers Union (EPU), and the Construction, Forestry, Manufacturers Union (CFMEU).

Pressure from the board of directors had reinforced the grower's position and management made a decision not to give the pay increase being sought. The unions responded with stop work meetings, held regularly enough to bring the steam-operated mill to a stop. With each stop work meeting that ran for one hour, it would take two hours to steam the mill up again. In the end mill management locked the employees out.

As for the cane growers, they considered the conduct of the employees and the unions had been unconscionable:

> "What the… ah employees did, and what the unions did to the industry this time is rather unforgiving. They left burnt cane out in the field".

Not only did the NSW Sugar Milling Co-operative have to bare the cost of production down time, they also had to pay the growers for the cane left in the field. Given the cane had deteriorated to the extent it could only be used for molasses there was little profit made.

9.5 Competing Collectivities

In this co-operative a predominant social worldview co-exists alongside the competing political worldview of industrialism. Given the different sites of association, where cane growers are a collective external to the mill and employees are a collective located at the mill site, the social aspect of their worldviews are different. In line with a cultural marxist perspective these findings build on Weber's framework of a descending order of rationality to confirm the credibility of broader

value orientations. In addition, there is the added insight the collective basis of social organisation/s may vary. The social values may be co-operative or trade union based and social interests and values may still conflict. In the following subsection I aim to demonstrate the interconnectedness yet separateness of these two cultural identities.

In the NSW Sugar Milling Co-operative the cane-growers' interests and the mill employees interests are co-ordinated though the board of directors. While, the social organisation of the cane-growers is sustained by a culture of shared economic benefit, the political organization of the employees is sustained by a strong culture based on the collective notions of trade unionism. On this basis both the co-operative organisation and the employee organisation are oriented by social action (as opposed to individual, instrumental action and essentially non-social action). Nevertheless, for the cane growers there is a well-entrenched culture that vies for legitimation in context of the competing values of trade unionism. On this basis, the co-operative and trade union values clash.

9.5.1 The Co-operative Way of Thinking

In the NSW Sugar Milling Co-operative the members' 'co-operative way of thinking' has to do with the sharing of economic benefit. As indicated earlier one of the key economic benefits of co-operative organisation is the dividend return to members and the tax advantage of that system. In addition, once any purchases are made and dividends returned, the running costs of the co-operative are covered by capital raised through share issues. In this way, any newer members share in the costs of running the

co-operative and earn their entitlement to future economic benefits. In the interim all other members continue to gain the tax advantage. In the words of one cane grower:

> "Most of the co-operative way of thinking here is that they won't pay tax, they will give a refund or a what's the word a dividend to the members and they will plan on any new purchases to be looked at in the coming year. You know they don't want to put cash into it. I think there is a lot of different thinking but some of the thinking is that ah there can be a new farmer in next year, let him share part of that cost. As their group expands they feel they should reap the benefits of what they have cut this year. And as their group expands and new people come into it they share in the current running costs of that co-operative as it is… rather than ah keep cash in hand… and pay so much tax on it."

Nevertheless, the co-operatives' sharing of economic benefits is offset by the board of directors need to operate the mill and by employee demands for pay.

9.5.2 Sharing the Pie of Sugar Money

According to the Company Secretary there is a pie of sugar money that needs to be divided:

> "There is a pie out there of sugar money, a pie of sugar money, and everybody wants to get a bigger share of it. The farmers reckon the mill is paying too much and there is only a certain amount of money and they all, you know we have conflict these issues".

If the sugar prices are good and all the sugar is sold in Australia on a world price equivalent (*Sunshine Sugar News* 1998:4), the price of the sugar for the members will be good at the end of the crushing season. However, it may be the case that world prices are down and or the domestic consumption of sugar is down. Consequently the price of sugar will be poor at the end of the crushing season. The rationale is once the money has been proportioned to mill maintenance, any loan repayments, costs of

production and labour, then the price to the cane-farmers for the cane can be decided. Although there is a pie of sugar money not everybody gets the share they may want.

Other factors that feed into the how much of the sugar pie the farmer gets are the Production Area Entitlement (PAE), the Sugar Content of the Cane (SCC), and whether the growers cane is cut at peak season times. The size of the PAE is determined by past performance, i.e. how well the farmer manages the land and grows the crop, the propagation of the correct varieties of sugar plant, etc[120]. The SCC will vary depending on whether the cane is cut early or late in the season, whether there has been too much or insufficient rain, and whether the cane is cut at peak sugar content level. All of these things are determined through the By-Laws of the Sugar Milling Co-operate and affect the final amount of monies that the farmers receive.

In the situation of a poor price for the sugar, it is often the case that the cane-grower and the mill employees will feel the financial squeeze. The growers will argue the board of directors is taking too much money and the mill management will argue it is not possible to increase the financial squeeze on either production or the pay and conditions of mill employees.

9.6 Conclusion

In this co-operative organisation a dominant social worldview existed. Nevertheless, that dominant worldview co-existed alongside the political worldview of the industrial

[120] This includes individual farmers' off-site effects of industry activity (See The Sugar Research and Development Corporation, 1995-6).

organisation of employees. The dominant worldview entailed the interconnection of a formal rationality; i.e. a rationality of economic organisation, and a substantive rationality; i.e. a value rationality of sharing economic benefits. The latter worldview entailed a political rationality of industrialism and a substantive rationality that values the collective basis of trade unionism. In this case whilst there was a degree of internal political shoring, it was not enough to completely buffer the competing political worldview of the industrial organisation of employees. Furthermore, while the social rationality of the co-operative dominates, it vies for legitimacy in the context of the 'at times' competing interests of the board of directors, and those of the mill employees. Consequently, in this co-operative organisation there are two competing worldviews and value alignment remains fragmented. Hence, the effect of the interplay of the interest motivations has been to legitimate a dominant worldview and a reactionary counterculture.

These findings suggest social action is coordinated though the strategic interests of three groups. Although the board of directors represent the social strategic, yet moral, interests of the community of cane growers, there remain competing interests among the growers, the board of directors, and the mill employees. Further, the competing interests of those groups illustrate how two different collective identities, i.e. the collective identities of co-operative organization and employee organization, can compete and yet impose different sets of restrictions on economic rationalism.

Work participation in this co-operative is determined by the co-existence of two competing worldviews. Hence the interplay of the dominant social worldview and the competing political industrial worldview shape the relations of the cane growers, the board of directors, and the mill employees. The predominant social worldview of the co-operative achieves its' position through the selecting environment, the legitimacy and growing number of co-operative organisations in the industry, and the ownership of the mills and through part ownership of the refinery.

As such the willingness to adopt the organisationally invoked social orientations to work is varied. The can growers adopt a broad social orientation to co-operative organisation and the mill employees a collective orientation to organization based on trade unionism. In this co-operative organisation the rationalised choices people made about the basis of their individual participation were predominantly social. However, given the social orientations of the cane growers' clash with those of the employees there exist conflicting interests and values. These findings are presented in Table 9.1 below.

Table 9.1 ORGANISATION AND WORK				
Organisations	**South East Queensland Electricity Board**	**Eagle Boys Pizza**	**NSW Sugar Milling Cooperative**	**Budge Ellis Staff Cooperative**
Organisation and Work: Economic Worldview				
Environment	v	v	v	
Structure	v	v	v	
Technology	?	v	v	
Internal Politics Human Behaviour	? v	v X	? X	
Organisation and Work: Political Worldview				
Control and/or consent strategies Industrial Relations	X ? u	X X	X v	
Social Action				
Non-social, instrumental, Strategic	v	v	X	
Social, strategic, yet moral	?	X	v	
Individual Action				
Non-social	v	v	X	
Social	?	X	v	
Legends: v: rationalised action dominant, ? : rationalised action weak, X: no application, ? u: rationalized action weak and unanticipated in model.				

These findings build on Weber's (1978a) framework of a descending order of rationality to confirm the credibility of the cultural marxist framework and the postulate broader collective value orientations can sustain economic organisation. In addition, there is the added insight the collective identity of social organisations can vary in important ways. For instance, the co-operative provides the cane-growers

with a means of sharing economic benefits whereas the trade union protects the pay and conditions of employees.

CHAPTER TEN: BUDGE ELLIS STAFF CO-OPERATIVE

10.1 Introduction

In the previous organization, the NSW Sugar Milling Co-operative, the dominant social worldview existed alongside the competing political worldview of industrialism. Although a social worldview dominated it vied for legitimacy in the context of the 'at times' competing interests of the board of directors and those of employees. The findings of the NSW Sugar Milling Co-operative demonstrate how two different collective identities, co-operative organization and employee organization, can compete and yet impose quite different restrictions on economic rationalism.

In this chapter (10) I complete my stories by describing the interest motivations and the values of members of Budge-Ellis Staff Co-operative. In this case there was a single worldview sustained by a broad social culture.

10.2 Social Rationality

Although the dominant worldviews in SEQEB and Eagle Boys Pizza were predominantly instrumental, in the NSW Sugar Milling Co-operative and in the Budge-Ellis Staff Co-operative they were predominantly social.

In Budge-Ellis Staff Co-operative social action was coordinated through the social strategic interests of the members. Those members were both professional staff and trade employees (Budge-Ellis Organisation Chart 1997/8:8). Their interest motivations, and theirs alone, shaped the social rationality that dominated in the co-operative. All

members, both professional staff and trade workers had a vested interest in the longevity of the co-operative. The co-operative aim was simple: "The chief primary object of the co-operative shall be to provide employment for the members of the co-operative…" (Rules of the Budge-Ellis Staff Co-operative 1989). On that basis, the dominant worldview in the Budge-Ellis Staff Co-operative was social and there were mutual interests and values.

The restrictions on economic rationalism were largely achieved through the internal workings of the co-operative structure. Although the Workers Enterprise Corporation (WEC) had provided initial funding, and the Australian Association of Co-operatives (AAC) had managed their funds, the members had long since repaid the debt and had begun managing their own investments. As the accountant in the co-operative explained they 'originally started off by obtaining funds from the Worker Enterprise Corporation WEC…. but paid it off in eighteen months". Furthermore, the members of Budge-Ellis did not see themselves as part of the larger co-operative movement. The accountant made this clear:

> "I think they (co-operative institutions like WEC, AAC, and the NSW Registry of Co-operatives) have over emphasized Budge Ellis in the past as being the shining co-operative because of the profits that we have generated. But because we have co-operative in our name doesn't mean ah I don't think it really um... I don't think we are a good example because we were set before we were formed and we are not really an example to say that we started from nothing and you know look where we are today and it is all because of the co-operative movement, if you know what I mean".

Consequently, the members of the Budge-Ellis Staff Co-operative operated as a commercial and trading entity, but one, which sought to protect the security of employment of its members.

Furthermore, while the trade workers were represented by a trade union their membership in a union or for that matter any range of unions was merely for the purpose of obtaining access to industrial sites. Hence the following position with respect to union membership:

> "Purely as a … to get on certain sites you have got to have a union ticket. You know when they have to go into a new building they have to go in and say well ah the boys in the factory are in the engineers…a member of… but that is only…it is not by choice… we don't have any union representatives or anything like that".

On that basis, the co-operative rather than the industrial organisation of employees imposed restrictions on economic rationalism to protect the security of employment for the co-operative members.

As would be expected the effect of the interest motivations of the members, both those of professional staff and of trade workers has been to legitimate a broader social order. There was no questioning of the legitimacy of the co-operative structure, nor of the espoused moral dictums.

Rather the issue for the members was how to ensure the longevity of the organisation in the event that one or more of the longstanding member of the co-operative retired. One of the founding directors of the co-operative highlighted that concern:

> "I need to do something about the employees in this company in the near future, in the next five years… In terms of, if either one of the three managers should leave, there has got to be someone who can really understand how this company runs. But the only thing that worries me is it may be a training period or we may be able to bring someone in who will understand the function of the business".

10.3 Social and Economic Organisation

In Budge-Ellis a social worldview dominated. In contrast to the previous case of the NSW Sugar Milling Co-operative it was possible to discern aspects of both a determining environment and of active organisation. In the first instance, the initiatives of the Worker Enterprise Corporation (WEC) and the Australian Association of Co-operatives (AAC) created an environment that supported the formation of a worker co-operative, and indeed of the Budge-Ellis Staff Co-operative (Employee Buy-Outs, Price Waterhouse 1998:27). This coupled with the pre-existing structure of the organization as a subsidiary co-operative under the umbrella of the Dairy Farmers Co-operative made the transition relatively simple. In addition, the Budge-Ellis Staff Co-operative demonstrates many of the characteristics of active organisation as explained by resource dependency theory (Pfeffer & Salancik 1978).

Four aspects of natural organization were highlighted. They were environment, structure, technology, and internal politics. Consequently, I draw on resource dependency theory to explain: The actions taken in the market to improve the co-operatives chances of survival; the hybrid nature of the co-operative structure, its existence in an industry typified by companies, and their internal organisation of work. Combined these actions demonstrate how the worker co-operative has shifted from

dependence on one exchange relationship to a multitude of exchange relationships and established itself as a self contained organisation. Finally, I suggest the internal political mechanisms of the co-operative override the need for external political mechanisms of employment protection.

In the following four subsections (10.3.1, 10.3.2, 10.3.3, 10.3.4) I again build my story by describing the environment, structure, technology, and internal politics of the Budge-Ellis Staff Co-operative. In the next subsection (10.4) I explore the manipulation of the institutional context and the externalisation of the political industrial worldview. In the finally subsection (10.5), I examine the value basis of the culture in Budge Ellis Staff Co-operative.

10.3.1 Adapting to the Market

Budge-Ellis was originally a manufacturer and repairer of compressors in the industrial refrigeration market. At the time of formation in 1989 they considered their objective to be the employment of the members through the business of manufacturing and repairing compressors, and from 'time to time' through the business of importing, marketing, and installing, air conditioning and related industrial and commercial equipment (Objects of the Co-operative, Rules of Budge-Ellis Staff Co-operative 1989:4). Approximately nine years later, they had diversified into the area of general process cooling. While, the manufacture and repair of compressors constituted approximately thirty percent of their business, the merchandising or the importing of component parts and machinery for general process cooling had come to constitute the remainder of their business. As the sales manager explained:

> "It is general process cooling…which is um, covers such a wide range of industries, that it just goes on and on. But you have got to be a little bit of an expert in every industry. Ah, um unfortunately that is something that um, unfortunately it doesn't get pinned down anywhere. It is just knowledge, and what happens is um as you take on a new product, you have also got to start re-training yourself to see how that fits into the process cooling arena".

As resource dependency would suggest, Budge-Ellis had actively manipulated their position in the market place to ensure survival. They avoided dependence on the industrial refrigeration and a limited customer base by expanding into a multitude of other industrial markets. Given the long period in which Budge-Ellis had been a manufacturer and repairer of compressors in the industrial refrigeration market there remained a constant demand for spare parts and repairs. However, to ensure survival the management committee were considering a multitude of agency agreements. Hence, members of the Budge-Ellis Staff Co-operative had shifted their sales focus to include the merchandising of products. According to one of the members of the sales team:

> "we are doing merchandising now. Which means that we still manufacture a base line product which is the compressors. Everything else is merchandised. And that is why I think that there is a definite future… Purchasing produced items and re-selling them… And then we will be are diversifying. That happens to be pumps, which is, there is pumps, there is cooling towers, there is chillers...".

Hence, a multitude of agencies provided them with the process cooling parts and machinery that were already in demand in the market place. In line with this they had expanded their products to include the importing and installing of pumps, cooling towers, and chillers[121]. In this way they had expanded from one industry (the

[121] The emphasis of their Budge-Ellis product brochure (1997) is on the unlimited application of products.

industrial refrigeration market) to a multitude of other markets. As the sales manager enthusiastically pointed out: "the food industry, the rubbish industry, it may even be the packing industry".

At the time of my research Budge-Ellis Staff Co-operative was the last Australian manufacturer of industrial compressors. They expected the manufacturing and repair component to remain a central aspect of their business but intended to expand their work in process cooling and in that way bridge a number of markets.

They also manipulate the market environment through the application of technical expertise. First, they provide a technical expertise that is not readily available from other suppliers in the market. Unlike other suppliers they do not simply sell off a catalogue. They pride themselves in working out the correct technical applications for the manufactured and merchandised, parts and machinery they sell. According to the sales manager it is important to understand the market place, to be able to take an item off a catalogue, and to know what it will do and won't do, if some or other technical parameter is changed. Hence, he argued:

> "if you have got a catalogue if it says it will do that function if you do this... but you can change certain parameters... the same thing will to the thing... but you have got to know how to adapt say something like that to its many different functions not just one...".

Through the ability to apply technical knowledge the Budge-Ellis members knowingly fill a gap left by their competitors. For instance, they are more than happy to fix up botched jobs done by their competitors, to work out a variety of technical applications for a client, and to advise that client on the possibility of future

applications. Second, they draw heavily on the sound reputation of the original Budge Company and the thirty or so years of quality manufacturing and repair already achieved. Hence the founding directors clarification of the co-operatives' market position:

> "Many clients come to us more often than go through a contractor…just because… they are getting no success with the contractors. They are staying with Budges".

Compared to other competitors that have a couple of employees, a front office, and a storeroom, Budge-Ellis has a fully operational manufacturing plant. They see themselves as the last surviving manufacturer and sell their business accordingly. As one of the founding directors justifiably argued:

> "One of the most important things we have is our name. Now we will go out of our way not to change the name because people will come to us ah without second thoughts, and they know that what ever we do we do it the first time round. So the name of Budges is important and whenever we are dealing with people who have come into contact with us for the first time around, they say ah we have done enquiries and heard good reports on your company and we would like you to do this for us. So um it is important to keep that name for as long as possible. It is important to us to keep that name as clean as possible, it is as important as anything else".

10.3.2 A Hybrid Structure

While the ongoing legitimacy of the co-operative structure could have been taken to indicate a structural inertia of the type suggested by population ecology theory (Hannan & Freeman 1977), there was no explanation of the existence of that co-operative structure in an industry typically characterised by companies. On that basis, I suggest the findings have a better fit with the resource dependency argument

structures can be manipulated or adapted to suit a particular social need (Pfeffer & Salancik 1978).

According to the accountant, the adopted co-operative structure had less to do with the co-operative principles embodied in legislation, and more to do with the social aims of the members. As he put it:

> "the main aim is to ah keep the employees employed because um, that is the ultimate aim, and secondly is to give them the benefit of the work that they do during their course of employment, such as a share of the company profits, which they would not normally get working for a normal company".

This rationale of social need underpinned the hybrid nature of the co-operative.

Whilst Budge-Ellis was a co-operative it was structured like a traditional company. In the first instance there was a board of directors made up of five of the members (Rules of the Co-operative, Budge-Ellis 1989). In the second instance, there was a management group made up of the professions staff; namely the company secretary who took care of finances, the general manager in charge of marketing and sales, and the operations manager who co-ordinated the factory work. These three professionals made the day-to day decisions for running Budge-Ellis. In general this occurred without consultation with the store person, the foreman fitter, the foreman machinist, the administration secretary or the trade assistant. The understanding was that any important issues could be raised at the quarterly and annual general meetings of the co-operative and if need be by direct consultation. The managing director explained the structure in the following way:

> "We have a managing group, which is a managing director, the secretary, which is Roger, and the operations manager. Now we run the company on a day-to-day basis, and make the major decisions –the three of us. So it is not up to one of us to make a final decision. If there is a logger head, then I have the final say".
>
> "And it is a group thing, like umm you have discussions at floor level and you have a quarterly and an annual general meeting and you discuss it with employees. If they have anything they want to discuss they should bring it up there and then".

The decision to maintain the pre-existing staff and employee structure was based on a concern that those people with the professional knowledge could and should continue to operate the co-operative successfully. Further the pre-existing structure could be overlaid by the objectives of co-operative.

This hybrid structure required a high level of trust and co-operation amongst the staff and the workers. The findings indicate a high level of trust. Moreover there was a high level of co-operation on the factory floor.

10.3.3. Technological Organisation of Work

According to the operations manager those positioned under him required little direction. For instance the foreman fitter, the foreman machinist, and the trade assistant were all "self-starters". The title 'foreman' was adopted to indicate a particular fixed position and skill level for remuneration purposes, rather than to indicate any level of supervision or job description.

If a project came in everyone in the factory would simply get on with the work. If there were projects that needed urgent completion then the operations manager

explained: “one or all four of them (factory workers) would stay behind” and complete it. In a similar way, it was not uncommon for the professional staff to come into the factory and “pitch in”. And, there were no job demarcations in the factory. The fitter would do the work of the machinist and vice versa.

The same general co-operative attitude applied to clocking in and clocking off and to sickies. Although the official start time was 7.30am and the finish time 4.30pm, there was no official clocking in or off. In fact it was common for people to begin early and to regularly work on until 5.00 or 5.30pm. As for sickies, apparently they were rare. As the operations manager explained:

> “I have never had a problem since we became a co-op. Um, I can sort of say, because we have only got the one machinist… I will just give you an example. Because we have only got the one machinist. Ah, I can remember one time when he was on holidays, and he knew that, he had already booked taking the holiday, and he knew there was a job coming in for repair in the middle of his holidays. And he came in and worked two days to get that job through and then of course extended his holidays when he got back. So that is the type of co-operation that I get from the workshop”.

10.3.4 Co-operative Meetings

Although the co-operative holds the meetings required by co-operative rules, there is little or no conflict over the re-election of the same key members or over the distribution of co-operative funds. The quarterly meetings of the co-operative are held to discuss the operating and finance results of the previous period, and to discuss if need be any new technology, health and safety, or employment issues. The annual general meetings are held to discuss those same issues but to also elect or as the case

may be to re-elect the directors and to determine the rate of any bonus or dividends to be paid.

The co-operative operates on a rotational system where three of the members of the board of directors retire in one year and two in the following (Rules of Budge-Ellis Staff Co-operative 1989). Although all members are eligible to be on the board of directors, not all members wanted to be. It was not unusual for the same members to be re-elected For instance, the foreman fitter had been a member of the co-operative for over twenty-five years but showed no desire to be on the board of directors. The newest member of the co-operative the administration secretary was happy to sit in on the meeting and similarly showed no interest in being on the board of directors.

The funds of the co-operative are split in two ways (ibid). First, there is an undistributable reserve that is set at thirty percent or higher of the financial surplus for the year. Second, there is a distributable reserve that is due to members as a dividend. However, the co-operative holds and uses the funds for a period of five years before payment is made to individual members. The aim of splitting the co-operative funds in this way is to avoid the capital problems experienced by other co-operatives. For instance, returning all profits at the end of each financial year can prevent capital investment and stem the growth of the co-operative. Consequently, there was an understanding that any new member of the co-operative would wait five years before the return of dividends. In the meantime financial reward comes through pay or wages and through bonuses.

10.4 The Marginalised Institutional Context

A social worldview dominates in the Budge-Ellis Staff Co-operative. However, the co-operative has an identity quite distinct from that of the general co-operative movement in Australia, and indeed one distinct from the collective basis of trade unionism. In this co-operative the mutual interests of the members, both staff and workers, combine to protect the security of employment for the members. In this way the co-operative type of organisation places restrictions on economic rationalism. In this subsection I describe the marginalisation of the institutional context of the Australian co-operative movement and the trade union movement.

In keeping with the predictions of resource dependency theory (Pfeffer & Salancik 1978) the members of Budge-Ellis viewed any past contact with the Worker Enterprise Corporation (WEC) and with the Australian Association of Co-operatives (AAC) as having been an opportunity to obtain the necessary funds to secure their ongoing employment. On this basis the co-operative legislation was attributed a minor role, and there was a general opinion the co-operative movement was geared to rural and community type co-operatives rather than to the manufacturing type of co-operative they had formed. In fact, the company secretary could find very little in the new legislation or in the key conferences that he could specifically apply to the Budge-Ellis Staff Co-operative. For instance, he claimed:

> "I haven't really grasped a lot of it that would suit our particular activities. It could be more because there are more co-operatives in other areas, it more or less seems to be going the other way, seems to be leaning towards the sort of mass".

In much the same way, membership of any trade union was viewed merely as a means of gaining access to industrial sites. Although all of the factory workers, the operations manager, the foreman fitter, the foreman machinist, and the trade assistant, were union members, there was no particular affiliation or sense of collectivism. Their express aim was simply to facilitate their coming and going on unionised work sites.

10.5 Social Need

A social worldview dominates in Budge-Ellis Staff Co-operative and it is sustained by a self-contained culture based on the social needs of the members. On this basis, I suggest although the members of Budge-Ellis Staff Co-operative have little interest in the co-operative movement or in collective trade unionism, they still maintain a social purpose, albeit one specific to their own collective needs. Consequently, in this case the single social worldview dominated.

In line with a Cultural Marxist perspective these findings build on Weber's (1978a) framework of a descending order of rationality to confirm the credibility of the argument broader collective values can sustain organisation. In this co-operative there are no conflicting values. Consequently, there are only mutual interests and values. In this subsection, I describe the simple but social value rationale underpinning the co-operative.

Budge-Ellis the co-operative was formed to protect the employment of a small group of people. In 1989 there were ten people who wanted to form the co-operative. By 1998

there were eight members, five of whom were of the original membership. The main purpose in forming the co-operative was to protect the employment of members. Accordingly, although a company sub-structure was maintained all members were equal shareholders and all profits were shared equally.

According to the company secretary, the value rationale is:

> "everybody is looked after, there is no ah…like companies can just discard people, they can push them sideways and out the door…we don't have that problem here…you know everybody is secure…we all stick together to the end".

Furthermore in the event that the co-operative should be shut down the aim would be to protect the members from financial loss:

> "We will just close up if we get to that point. I mean rather than just putting things off, we will just shut the whole place down. That is the moral of the place, we don't…see we can't function properly, they have all got their money in the business, we have got to give their money back".

The only unreconciled concern the members had was how to maintain the longevity of the co-operative. Although they had addressed the issue of capital, their ongoing commercial viability relied heavily on the technical aptitude and knowledge of the general manager. This general manager had something like thirty-four years of industry expertise and an excellent understanding of the market. The concern was whether anyone would be able to match his knowledge. Further, whether it would be possible to find members ready to fill the fixed positions of other members who might wish to retire. For instance, the company secretary had worked in the Budge-Ellis Staff Co-operative for twenty-five years, the general manager for thirty-four years, the

operations manager for thirty-four years, the foreman fitter for twenty-five years, and the foreman machinist for twenty-three years.

10.6 Conclusion

In this case a single social worldview dominated. That worldview entailed the interconnection of a formal rationality; i.e. a rationality of economic organization, and a substantive rationality; i.e. a value rationality of protecting the employment and financial security of the members. In this case the worker co-operative existed in a self-contained manner and successfully buffered the interests of the general co-operative movement and those of the industrial organisation of employees. The dominant worldview was shored by internal political processes and by the internal alignment of values. Hence, the social worldview of the co-operative dominated, and the members both staff and workers upheld mutual interests and values.

These findings suggest social action is coordinated though the social yet strategic interests of the members of Budge-Ellis Staff Co-operative. Further that the interests of other collective identities, for instance those of the Australian co-operative movement and the trade union movement, existed quite separately. Importantly, Budge-Ellis Staff Co-operative still imposed restrictions on economic rationalism through the protection of member's employment.

Work participation in this case co-operative is determined by a single social worldview. The dominant worldview achieves its' position through the selecting environment and the active adaptations of the members to that environment, through the hybrid structure

that it adopts, through the manipulation of the institutional context, and on the basis of a culture of social need. In this way it has become a self-contained co-operative organisation with a legitimated worldview.

As such, in Budge-Ellis Staff Co-operative there was a willingness to adopt the organisationally invoked social orientation. While the co-operative structure overlays the company structures and the members maintain pre-existing hierarchical positions, they adopt a broader social orientation to organisation. This suggests the rationalised choices people made about the basis of individual participation were social in nature. These findings are presented in Table 10.1 below.

Table 10.1 ORGANISATION AND WORK				
Organisations	**South East Queensland Electricity Board**	**Eagle Boys Pizza**	**NSW Sugar Milling Cooperative**	**Budge Ellis Staff Cooperative**
Organisation and Work: Economic Worldview				
Environment	v	v	v	v
Structure	v	v	v	v
Technology	?	v	v	v
Internal Politics Human Behaviour	? v	v X	? X	v X
Organisation and Work: Political Worldview				
Control and/or consent strategies Industrial Relations	X ? u	X X	X v	X X
Social Action				
Non-social, instrumental, Strategic	v	v	X	X
Social, strategic, yet moral	?	X	v	v
Individual Action				
Non-social	v	v	X	X
Social	?	X	v	v

Legends:
v: rationalised action dominant, ? : rationalised action weak, X: no application, ? u: rationalized action weak and unanticipated in model.

Again, these findings build on Weber's (1978a) framework of a descending order of rationality to confirm the credibility of a cultural marxist perspective. In this case, as in the previous, the broader value orientations of the members sustain social organisation. In my view, the unique character Budge-Ellis Staff Co-operative demonstrates the successful operation of a broader rationality in organisation.

CHAPTER ELEVEN: THE ESTABLISHMENT OF WILLING AND SOCIAL WORK PARTICIPATION

11.1 Introduction

In chapter six (6) I wove a cultural marxist story of Capitalism. I analysed material relevant to economic rationalism demonstrating the implications for organisation and work. I concluded from this analysis that work participation; either willing and instrumental or willing and social exists within the context of the socio-cultural rationalism of capitalism, and social relations that are formally free or free. I presented the story of Capitalism as a backdrop for comparing the stories on the four organisations.

Across chapters (7) through (10) I extrapolated the findings at the level of organisation and work. In each organisation I represented the internal workings of the dominant worldviews, the interface between any competing worldviews, and whether the dominant worldview upheld a descending order of rationality, or an ascending one. I drew on my cultural marxist perspective to detail how those worldviews influence work participation. In two organisations there are competing worldviews influencing work participation. In the other two organisations there are single worldviews that clearly result in either 'willing and instrumental' or 'willing and social' work participation. I conclude from these analyses that willing and social work participation is possible, but only under certain circumstances.

My analysis culminates below in section (11.2) with a return to the findings of the dynamic model of work participation in industrial organisation. However, in this

subsection draw on those findings to propose a model for the establishment of willing and social work participation. Finally, in the section 11.3 I provide some closing notes on the literature I began with.

11.2 A Model for the Establishment of Willing and Social Work Participation

In this subsection I revisit the dynamic model of work participation in industrial organisation to detail the variability of orientations to work under Capitalism. This variability has been synthesised in the tables presented throughout chapters 6-10. From these tables I draw together the threads of my analyses and present a model of change explaining the potential establishment of willing and social work participation under Capitalism (see Illustration 11.1 p.244 below).

First, I elaborate the complexities of the concepts of *capitalism* and *social relations* that, in my view, exist as an unveiled context to work participation. Then, I detail the core concepts of *rational configurations, political action premises,* and *moral dictums* that have emerged through my stories of organisation. Importantly, I specify the circumstances under which the *establishment of willing and social work participation* is a possibility. Finally, I evaluate the legitimacy achieved through the *modification of narrow rational configurations,* and the challenge to *comprehensive co-operative legislation.*

Capitalism and Social Relations

In my view work participation exists within the unveiled context of more critical understandings of Capitalism. If this is so, few people acknowledge the significance of

Capitalism to their every day lived experience of work. Moreover, they will not consider the need for or even the possibility of an ameliorated trajectory for economic rationalism. Yet, a cultural marxist perspective suggests the amelioration of economic rationalism under Capitalism is important and achievable.

Across the organisations economic rationalism did tend to serve the purposes of dominant status groups, however there was some variability. The trajectory of economic rationalism depended not only on the economic interests inherent in ownership (or the alienation of the conditions of labour from the worker) but also on whether through articulated political interests or status rights (rights of appropriation) competing groups successfully impose restrictions on the profit of owners. Equally important, it also depended on whether economic rationalism was restricted through social values that harness the profit motive for social purposes.

Under Capitalism the interconnection of economic and political interests and values tends to dominate. Social interests are only satisfied where they are connected with values that serve to provide reasons for them. In turn those social values cannot be established unless they are connected to social interests that supply them with power[122]. Notably, the broader interconnection of economic, political and social interests and values only occurred in two of the organisations; i.e. The NSW Sugar Milling Co-

[122] See the original Habermasian framework of rationality I presented in Chapter 2, subsection 2.6, Illustration 3, page 31. The findings across the organizations demonstrated to me the more dynamic linking of interests and values. Notably, social values are only established in the latter two organisations where they are connected to the social interests of co-operative members. Although this was not demonstrated clearly in my original presentation of Habermasian rationality, it became clearer through the process of theoretical elaboration; 'the process of refining the theory, model or concept in order to specify more carefully the circumstances in which it does or does not offer explanation (Vaughan, 1992).

operative and Budge-Ellis Staff Co-operative (see Table 1, reproduced from Chapter 6, below).

Given social relations can be an important and positive means of harnessing the profit motive for an economic community[123], then social relations that achieve that purpose need to be legitimated. Across the organisations social relations were either formally free or free but reflected sets of interests and values that combined to produce different rational trajectories and hence different implications for economic rationalism. I suggest the distinguishing point concerning social relations should not only be whether people are the owners of the means of production or labourers, and whether they attain the dominant or the lesser rights to economic advantage, but also whether socially meaningful actions are guided by broader values that can positively restrict economic rationalism and indeed return profit to an economic community. Importantly it is not just whether status groups enter into 'formally free' or 'free' social relations but whether they enter into 'free' social relations that release the profit motive for social purposes.

In SEQEB there are formally free social relations between managers and employees. In The NSW Sugar Milling Co-operative there are formally free social relations between the board of directors and the mill employees. There are free social relations amongst the cane growers but the return of profit to the community of growers is completely free given the competing interests of the mill employees. In Eagle Boys Pizza there are free social relations between the franchiser and the franchisees but the return of profit is for

[123] Organisational Sociologists call this the social embedded-ness of market relationships (See Harding, Tomaskovic-Devey, and Zimmer (2001).

instrumental purposes in the sense that profit is returned to individuals. Only in Budge-Ellis Staff Co-operative are there truly free social relations between the staff and workers and only in Budge-Ellis Staff Co-operative is the release of the profit motive for social purposes (see Table 1, reproduced from Chapter 6, below).

Furthermore, while the profit motive can be restricted, it can be restricted in defensive or positive ways. This is demonstrated in findings of The NSW Sugar Milling Co-operative where the return of profit is restricted in a positive and non-conflicting way by the cane growers for the purpose of returning economic benefit to a community. By contrast the return of profit is restricted in a defensive and conflictive way by the industrial organisation of employees for the purpose of securing pay and conditions of employees.

Finally given social relations can be formally free or free social relations, orientations to work can be either 'willing and instrumental' or 'willing and social'. In Eagle Boys Pizza, given the pure case of free social relations orientations to work are instrumental. In Budge-Ellis Staff Co-operative, given the pure case of free social relations orientations to work are social. By contrast in SEQEB where social relations are formally free, orientations to work are predominantly instrumental. In SEQEB the social interests and values of the industrial organisation of employees are weakly empowered and instrumental orientations tend to dominate. While in The NSW Sugar Milling Co-operative there are is a mix of social relations and orientations to work are both instrumental and social. In the NSW Sugar Milling Co-operative the social interests and values of the cane growers are empowered whereas the social interests and

values of the employees are weakly empowered (see Table 11.1, reproduced from Chapter 6, below).

Table 11.1

CAPITALISM, SOCIAL RELATIONS & ORIENTATIONS TO WORK

Organisations	**South East Queensland Electricity Board**		**Eagle Boys Pizza**		**NSW Sugar Milling Cooperative**		**Budge Ellis Staff Cooperative**	
Groups	**MM**	**EE**	**FER**	**FEE**	**CG**	**EE**	**S**	**W**
Capitalism								
Economic Interests & Values	v	v	v	v	v	v	v	v
Political Interests and Values	v	v	v	v	v	v	v	v
Social Interests and Values	X	?	X	X	v	?	v	v
Social Relations								
Formally Free	v	v	X	X	X	v	X	X
Free	X	X	v	v	v	X	v	v
Orientations to Work								
Instrumental	v	X	v	v	X	X	X	X
Social	X	?	X	X	v	?	v	v

Legends:
MM: managers, EE: employees, FER: franchiser, FEE: Franchisee, CG: cane grower, S: staff, W: worker.
v : interests and values empowered, ? : interests and values weakly empowered, X: no application.

Rational Configurations, Political Action Premises, and Moral Dictums

In my view the dominant rational configuration of the world of work[124] is an economic worldview, which gives little recognition to more critical understandings of Capitalism. Across the organisations I explored rationalised actions through the rational concepts of market, structure, technology, and the irrational or non-rational concepts of internal political processes and human behaviour. I explored political actions in terms of the political interests of competing worldviews. Furthermore, I explored social action to determine whether the values sustaining the dominant worldview were instrumental or social (see Table 11.2 p 237 below, reproduced from Chapter 10).

Work participation in SEQEB was determined by the variable interconnection of two competing worldviews. The dominant worldview of economic organisation achieves its' position through the pressure of market uncertainty, the imperative of structural reform, and to a degree through the success of the natural approach to human technology; i.e. total quality management, business process management, and the commercial culture. However, given the existence of a competing worldview, and the demonstration of discretionary decisions or judgments that determine the basis of individual participation, the success of the structural and cultural reform of SEQEB and instrumental orientations to work remained partial.

Work participation in Eagle Boys Pizza was determined by a single worldview. Hence, while there was interplay between the economic worldview and the internal political association of the franchiser and the franchisee, and the external political

[124] I use this term to refer to the combining of dominant and competing worldviews in the organisational settings studied.

worldviews, there were few restrictions on economic rationalism. The dominant economic achieved its' legitimated position through the pressure of meeting the market, and through the moral dictums or saying espoused by the franchiser and the franchisee; i.e. sharing in the pain of economic growth. As such, both the franchiser and the franchisees demonstrated a willingness to adopt the prescribed instrumental orientation to work.

Work participation in The NSW Sugar Milling Co-operative was determined by the co-existence of two competing worldviews. Hence the interplay of the dominant social worldview and the competing political industrial worldview shape the relations of the cane growers, the board of directors, and the mill employees. The predominant social worldview of the co-operative achieves its' position through the selecting environment, the legitimacy and growing number of co-operatives in the industry, and the ownership of the mills and through part ownership of the refinery. However, the cane growers and the mill employees adopted different social orientations to work.

Work participation in Budge-Ellis Staff Co-operative was determined by a single social worldview. The dominant worldview achieved its' position through the selecting environment and the active adaptations of the members to that environment, through the hybrid structure that it adopts, through the manipulation of the institutional context, and on the basis of a culture of social need. The staff and the workers adopted mutual social orientations to work.

Table 11.2. ORGANISATION AND WORK				
Organisations	**South East Queensland Electricity Board**	**Eagle Boys Pizza**	**NSW Sugar Milling Cooperative**	**Budge Ellis Staff Cooperative**
Organisation and Work: Economic Worldview				
Environment	v	v	v	v
Structure	v	v	v	v
Technology	?	v	v	v
Internal Politics Human Behaviour	? v	v X	? X	v X
Organisation and Work: Political Worldview				
Control and/or consent strategies Industrial Relations	X ? u	X X	X v	X X
Social Action				
Non-social, instrumental, Strategic	v	v	X	X
Social, strategic, yet moral	?	X	v	v
Individual Action				
Non-social	v	v	X	X
Social	?	X	v	v
Legends: v : rationalised action dominant, ? : rationalised action weak, X: no application, ? u: rationalised action weak and unanticipated in model.				

In more instrumental rational configurations of the world of work, for instance, in the organisations of SEQEB and Eagle Boys Pizza the possibility of willing and social work participation was not legitimated. A prescribed notion of willing and instrumental work participation was far more important. Only in rational configurations of the world of work coalescing economic, political and social actions, for instance in Budge-Ellis Staff Co-operative and the NSW Sugar Milling Co-operative was willing and social work participation legitimated.

Furthermore, the coherence of those broader rational configurations and the establishment of willing and social work participation depended on whether the political action premises of buffering are complemented by a process of internal political shoring and by moral dictums or 'sayings' resulting in value alignment. Across the organisations I examined the political processes used to shore internal political interests. And, I explored the success or otherwise of the espoused moral dictums searching for any sites of value misalignment.

The successful coherence of a broader rational configuration was evident in one case only, the case of Budge-Ellis Staff Co-operative. In this particular organisation internal political interests were shored through a management group that met regularly with the employees and the members invoked moral dictums. In Budge-Ellis Staff Co-operative willing and social work participation was established through a broader rational configuration, by successfully shoring internal political interests and by an invoking a moral dictum that worked to align values. By contrast, in the NSW Sugar Milling Co-operative, a broader rational configuration existed but vied for legitimacy in the face of the competing worldview of the blue-collar employees. On this basis attempts at shoring internal political interests and successfully aligning values were less successful. Further, in SEQEB a more instrumental rational configuration vied for legitimacy, again in the face of the competing worldview of the blue-collar employees, again with less success in the shoring of internal political interests and aligning values. In Eagle Boys Pizza political action premises and moral dictums operated successfully to provide coherence to a purely instrumental rational configuration. In none of these

latter cases was willing and social work participation established. In fact, in the latter two cases, willing and instrumental work participation was the more likely outcome.

In terms of the success of moral dictums in providing coherence, it mattered little whether those dictums were prescribed or invoked, and much more whether those dictums were believed to exploit or deploy the internal values of status groups. For instance in Budge-Ellis Staff Co-operative the members invoked a value of 'member security', and there were no claims of internal value conflict. By contrast, in the NSW Sugar Milling Co-operative the cane/grower members invoked a value of 'sharing in economic benefits', but blue-collar employees felt their internal values were being discounted and therefore exploited. Further, in SEQEB the commercialisation of ethics is organisationally prescribed and blue-collar employees felt their internal values were being exploited. While, in Eagle Boys Pizza the sharing of pain in economic growth was a prescribed value and quite readily picked up and adhered to by franchisees buying into the marketing system. Consequently, only in Eagle Boys Pizza and Budge-Ellis Staff Co-operative, and this is irrespective of whether moral dictums were prescribed or invoked, was there a belief internal values were being deployed. And, only in Budge-Ellis Staff Co-operative, where the moral dictum deploys a broader internal value was a broader rational configuration of the world of work sustained.

The Establishment of Willing and Social Work Participation

As I have shown, work participation can be willing and instrumental and willing and social. However, for willing and social work participation to be established there needs to be a broader rational configuration of the world of work, as well as successful

political action premises and moral dictums that operate to uphold the broader worldview. Moreover, there must be a deployment of broader internal values. In sum, the establishment of willing and social work participation is not an easy matter. It requires at the least a modification of narrow rational configurations and, in my view, even this is not enough to legitimate willing and social work participation.

Modification of Narrow Rational Configurations

Across the co-operative organisations modifications to narrow rational configurations of the world of work were required before willing and social work participation could be established. This implies co-operative forms and willing and social work participation are not typical; that they are far from legitimated at this point in time. For instance, in the case of the NSW Sugar Milling Co-operative a supportive institutional environment influenced the cane growers' decision to form a co-operative. This was achieved by modifying the narrow rational configuration of previous company structures. Similarly, in the case of the Budge-Ellis Staff Co-operative, a supportive institutional environment and past ties with the Dairy Farmers' Co-operative influenced the decision to form a worker co-operative. Again, this was achieved by modifying the narrow rational configuration of company structures that already existed. In neither case was the co-operative form and willing and social work participation considered legitimate in any prior sense. Rather, they were adopted as secondary options and exist now in the shadows of more legitimated capitalist configurations. In my view, without a prior legitimation of broader rational configurations the choice to adopt co-operative forms will remain a secondary option. Consequently, there is also little likelihood willing and social work participation will come to be viewed as a legitimate first choice.

Comprehensive Co-operative Legislation

As I have argued few people acknowledge the significance of Capitalism to their every day lived experience of work. Moreover, before there can be a recognition of social relations that achieve social purpose there needs to be a legitimation of broader rational configurations of the world of work.

This, in my view, can only occur through the development of comprehensive co-operative legislation that gives co-operative forms of industrial organisation a dominant position in society. As it stands, the legitimation of co-operative forms of industrial organisation remains a difficult task. Although, there has been much work done by the advocates of the Australian co-operative movement, co-operative forms remain in a subordinate position compared with capitalist forms and subject to competition from industrial organisations of employees or unions. For instance, in Eagle Boys Pizza and in the Budge-Ellis Staff Co-operative the success of political buffering is such that unions are kept at arms length. In the first instance a capitalist form thrives and in the second instance a socialist form succeeds. By contrast, in SEQEB and the NSW Sugar Milling Co-operative that political buffering is less successful. And, in both of these latter cases the union ideals compete for centre stage. In this way the task of legitimating co-operative forms is two-fold. Co-operative forms need to override the legitimacy of both capitalist forms and unions.

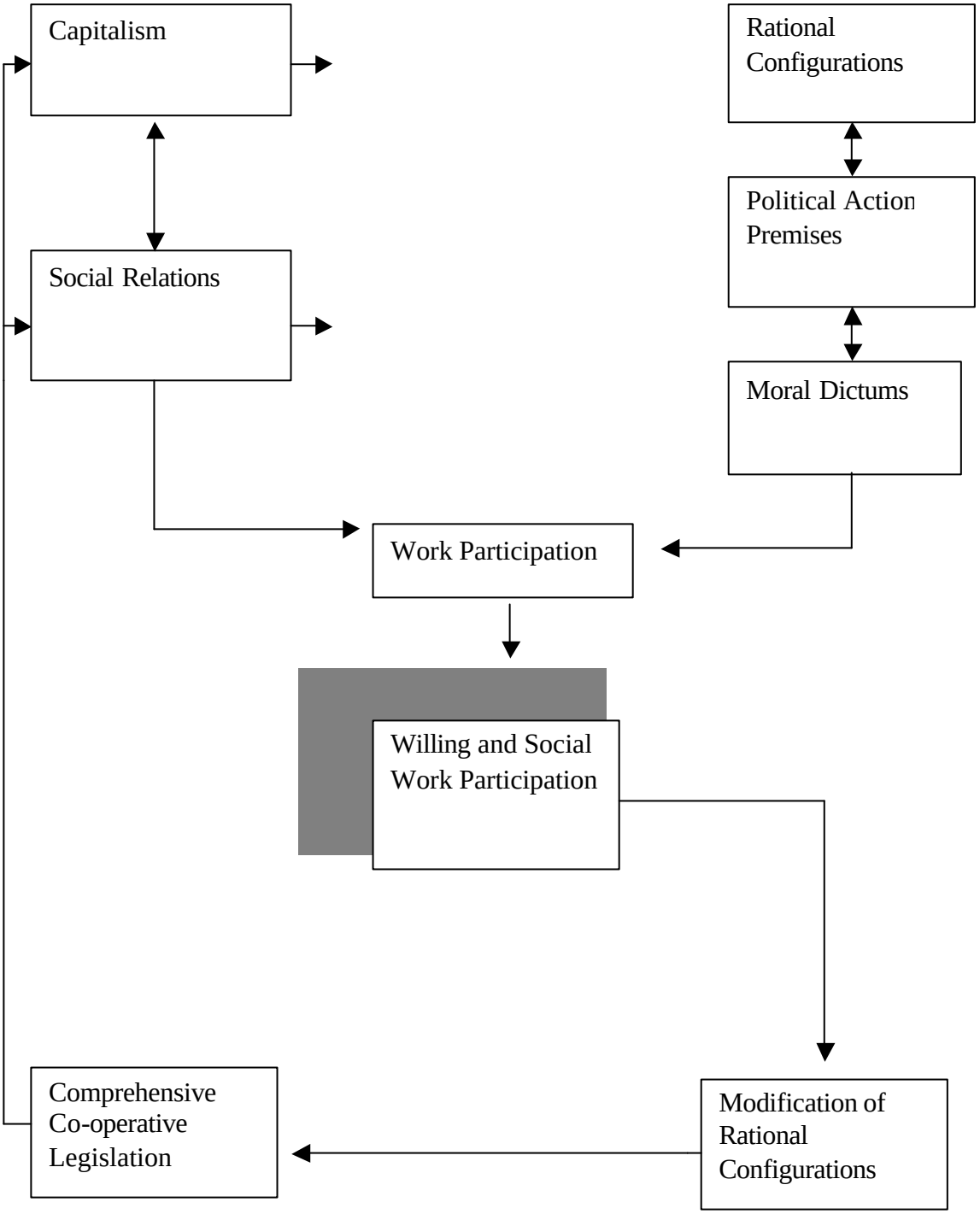
The heart of the matter lies in the rationalised choices that we make about our work participation, and our involvement in organisation and society. From a cultural marxist position that choice seems simple. We need to adopt commonweal ideologies that

sustain a broader rationalised configuration of the world of work. Yet, the ideals that dominate are those underpinning capitalist and industrial types of organisation. The former organisations are sustained by ideals that are instrumental and result in individuated non-social action, while the latter organisations are sustained by ideals that are social but conflictive and reactionary; they do not return economic benefit to a community on the basis of a collective moral consciousness and irrespective of status. In sum, while a cultural marxist perspective suggests the amelioration of economic rationalism is important and achievable, there is more work to be done before the commonweal ideologies of co-operative forms are acknowledged as a positive means of returning profit to economic communities.

Hence, I conclude that *work participation* exists within the context of *capitalism*, and *social relations* - whether formally free or free; that work participation is directly influenced by *rational configurations*, whether the *political action premises* of political buffering and shoring successfully neutralise competing worldviews, and whether the *moral dictums* or values of work are prescribed or invoked and result in the exploitation or deployment of internal values. Hence I suggest, within the context of *capitalism* and *social relations*, under the influence of a broader *rational configuration*, and with successful *political action premises* and a broader *moral dictum* that is deployed, the *establishment of willing and social work participation* is possible. Finally, I propose that establishment requires the *modification of narrow rational configurations*, but that even this may not be enough to legitimate willing and social work participation. For without the development of *comprehensive co-operative legislation* that legitimate commonweal ideals and co-operative forms, willing and social work participation will

continue to exist only as a second option and most certainly in the shadows of the trajectory of purpose rationalism under Capitalism. I present a model for the establishment of willing and social work participation below (see illustration 11.1).

Illustration11.1 A Model of Willing and Social Work Participation



11.3 Revisiting Concepts of Capitalism, Organization and Work.

I began this research with traditionally critical or marxist and more conventional sociological theories that assume an overarching acceptance of a division of labour under capitalism. This division of labour gives rise to a functional specification of work and conflicting interests. However, a cultural marxist framework builds on this literature to suggest it is more realistic to see the division of labour and conflicting interests as stemming from incompatible values. Furthermore, that interests and values interconnect as different rational trajectories. While that framework acknowledges that dominant worldviews of economic rationalism sustain willing and instrumental forms of work participation there is also support for worldviews that sustain willing and social forms of work participation. On that basis, I argued a cultural marxist framework pointed to model of work participation that fit with neither traditionally critical or marxist, nor more conventional sociological approaches. Moreover, that the cultural marxist framework for work participation was worthy of further explanation.

The cultural marxist perspective demonstrated in Habermas's (1976, 1979, 1984, 1987) work builds on the ideas traditional theorists like Marx (1954, 1976) and Weber (1947) to argue for a rebirth of the Enlightenment Project (Horkheimer and Adorno, 1972). Yet, few researchers have embraced that challenge. I wanted to join the small cluster researchers who viewed culture, organisation and society as a reflection of our own internal nature. I also believed willing and social work participation, if legitimated, could epitomise that emancipatory ideal.

I examined the literature on organisation and work from a cultural marxist perspective. I highlighted the economic emphases in literatures on organisation and the political emphases in literatures on work. My aim was to reveal the social action limitations inherent in both of those approaches. Based on my examination of theories of organisation and work, I argued that Habermas's model of social action could fill the gap I highlighted. Furthermore, Habermas's model of social action supports a notion of willing and social work participation that is arguably not represented at the level of organisation and work.

The dominant and competing approaches on organisation and work produced insights into the tensions between the economic and political aspects of industrial organisation. The major contribution of the rational and natural perspectives had been to advocate a symbiosis or mutuality between the formal and informal, rational and irrational and/or objective and subjective, domains of organisation and work. The contribution of the radical perspective had been to raise doubts about the harmony and congruence of those domains by developing a critical perspective on work at the point of production. Nonetheless, the unpredictability and the breadth of the social aspect of organisation and work remained understated in both of those approaches. The social aspect of organisation and work had been generalised as either the social counterpart of rational economic organization or the social radical basis of political organization. Yet, from my cultural marxist perspective neither of those approaches acknowledged the variability of orientations to work nor the concept of willing and social work participation I had in mind.

Implicit in my cultural marxist perspective was the assumption that people can and do make rationalised choices; that is, they made discretionary decisions or judgements about the basis of their own participation. These judgements are based on past experiences and also on expectations of the present and future. Furthermore, these judgements are sustained by a broader range of orientations to work than admitted in the rational and natural or the radical approaches of organisation and work.

On the basis of my synthesis of the literatures on capitalism, organisation and work I derived a preliminary model of work participation in industrial organization. With that model I sought to interrogate the variability of work participation; i.e. how it tends to be 'willing and instrumental' but how, if my adopted framework was correct, work could be 'willing and social'.

Across the organisations I explored the concepts of capitalism of my cultural marxist perspective. I adopted those concepts as the basis of my cornerstone worldview. I explored the economic perspectives of rational and natural organization for their fit with everyday rationalities. And, I explored the fit of political radical perspectives of work I sought to interpret capitalism as a shrouded context; as a context generally hidden from the everyday lived experience of people in organization and work. Yet, I wanted to unveil Capitalism, while still acknowledging the temporal and spatial dimensions of other people's rational configurations of the world of work. Hence, I sought to highlight the boundaries of my adopted cultural marxist perspective and its fit or non-fit with the rational configurations of the world of work adopted by people in the

organizations I was studying. I pulled together the threads of this analysis in section 11.2.

In my view, the strength of a cultural marxist approach lies in its' recognition of variations or differentiations in cultural development[125]. For instance, Habermas's early work *Communication and the Evolution of Society* (1979) provides a broader rational framework for analysing organization. This framework is strongly re-iterated in *The Theory of Communicative Action: Reason and the Rationalisation of Society (1984)* and, *The Theory of Communicative Action: The Critique of Functionalist Reason (1987).* As I saw it, this socio-cultural approach did not organisation had developed in any equal way rather it suggested broader cultural bases of organisation exist. The implication was the variability of organisation structures and cultures could and should be studied, and socially oriented forms of organisation should be exemplified and reproduced.

I suspect all critical theorists acknowledge the importance of the critical marxist perspective on materialism. This is simply a general recognition of the contribution of Marx's (1954, 1976) critical perspective and an acceptance that managers and employees are oriented by material needs. This material perspective is reflected in the work of labour process theorists and can be demonstrated in the writings of Braverman (1974), Cressey & McInnes (1980), and Burawoy (1985), to name a few.

[125] The material in this section dealing with critical theories of work has been presented elsewhere (see Faifua, 2001 appendix C).

However, not all critical theorists are happy to accept that materialism is essentially prior to all other action orientations. There is considerable emphasis placed on the weberian (1923, 1947) notions of idealism and individual status. The ideals of autonomy, freedom and liberalism are all notions, which are believed to affect the self-conceptions of employees and they are considered prominent orientations for managerial and employee action. On this basis, materialism is no longer considered sufficient to explain the multifarious ways in which action is oriented. The significance of the eclectic or transitory nature of ideals and the role they play in ensuring appropriate organisational actions is strikingly evident in Willmott's (1993) work.

Ultimately, though, for critical theorists who choose to adopt an emancipatory position, Habermas's (1976, 1979, 1984 & 1987) work incorporates material and ideal action orientations into a broader framework of rationality and that framework I believe is fundamentally useful. Hence, although materialism and idealism are considered driving forces, I conclude that social action can be sustained by either narrow or broad values.

11.4 Conclusion

My research culminated in this chapter with the pulling together of the threads of analysis across chapters 6 through 10. I presented a synthesis of the relationship of concepts relevant to the levels of capitalism, organisation and work. First, I elaborated the complexities of the concepts of *capitalism* and *social relations* that, in my view, exist as an unveiled context to work participation. Then, I detailed the core concepts of

rational configurations, political action premises, and *moral dictums* that emerged from my analysis of organisation and work. Following this, I specified the circumstances under which the *establishment of willing and social work participation* is possible. Finally, I evaluated the legitimacy achieved through the *modification of narrow rational configurations,* and the challenge to *comprehensive co-operative legislation.* In this way I arrived at a model that demonstrates the possibilities and the limitations of willing and social work participation. I called this a model for the establishment of willing and social work participation. I closed this chapter with some reflective notes on the literature I began with.

CHAPTER TWELVE: CONCLUSION

12.1 The Research Thesis

The answer to my research question is: Industrial organisation can sustain willing and social work participation but it tends not to.

In the introduction I suggested that traditionally critical marxist and more conventional sociological views on industrial organisation obscure the possibility that workers may willingly participate in work and organisation and that they may do so on a non-coercive basis. I also suggested, that work participation tends to be based on individualistic notions where there is little consideration of the social and moral basis of involvement in work.

Consequently, I asked what form of industrial organisation would sustain willing and social work participation? Was I more likely to identify it in co-operative forms of organisation and work? If so, how would its' manifestation differ across alternative forms of organisation and work? Would the mechanisms, which circumvented it, be so different to those that encouraged it? And, what kind of change would be enough to fundamentally alter capital labour relations and the very essence of Capitalism itself?

Based on my readings of the literature on industrial organisation I arrived at the following postulates. Willing and social work participation was likely to be sustained in social and co-operative forms of industrial organisation. Its manifestation would be dominant in those forms but also potential in bureaucratic and entrepreneurial forms.

However in the latter it was likely to be subordinated by the overriding legitimacy of instrumental values, strategic interests and non-social actions. Furthermore, the mechanism responsible for willing and work social participation would be the same as that for willing and instrumental work participation, in that it would entail rationalised actions and choices concerning values and interests and the co-ordination of social actions. Finally, while none of those postulates suggested a change in the fundamental nature of Capitalism, they did suggest the profit motive could be released either on the basis of divided interests, i.e. the interests of capitalists and wage labourers, or for the benefit of an economic community.

I conclude from my research that industrial organisation sustains work participation through the interconnection of interests and values. Moreover, I argue those interests and values can interconnect to sustain either willing and instrumental or willing and social work participation. However, I acknowledge the dominant form of work participation in industrial organisation is willing and instrumental. Hence, the economic and political interests of industrial organisation are deemed the dominant interest structures. They are viewed as forming one half of the interconnection that sustains willing and instrumental work participation. The value that connects with the interests is deemed the dominant economic ethic or the dominant actualised value orientation. This value is viewed as forming the other half of the interconnection that sustains willing and instrumental work participation. That specific interconnection of interests and values does not sustain broader ethical orientations to work. Nonetheless, I recognise the proposition interests and values can interconnect to sustain forms of work participation that are willing and socially guided. In this way I arrive at a

confirmation of my original conjecture that industrial organisation can sustain willing and social work participation but that it tends not to.

12.2 Contribution of the Thesis

In this thesis I drew on a cultural marxist framework that acknowledges the variability of work participation under Capitalism. I use this framework to synthesise the relationship of key concepts at the level of capitalism and organisation and work. I elaborate the complexities of those concepts through an interrogation of the dynamic model developed in chapter four.

Ultimately I produce a sociologically informed model of willing and social work participation. I conclude that work participation exists within the context of capitalism, and social relations - whether formally free or free; that work participation is directly influenced by rational configurations comprising of economic, political and social worldviews, and that the dominance of a worldview depends on whether the political action premises of political buffering and shoring successfully neutralise competing worldviews, and whether the moral dictums or values of work are prescribed or invoked, and result in the exploitation or deployment of internal values. Hence I argue within the context of capitalism and social relations, under the influence of a broader rational configuration, and with successful political action premises and a broader moral dictum that is deployed, the establishment of willing and social work participation is possible. However, I concede that establishment requires the modification of narrow rational configurations and that even that may not be enough to legitimate willing and social work participation. For without the

development of comprehensive co-operative legislation that legitimates commonweal ideals and co-operative forms, willing and social work participation will continue to exist only as a second option, and most certainly in the shadows of other capitalist forms of organisation.

In my view the model for the establishment of willing and social work participation offers a revival to the ideas of the enlightenment project (Horkheimer and Adorno, 1972). It provides new life to that project by elaborating the complexities of a cultural marxist framework on Capitalism and extending that framework to the level of organization and work. Moreover, in my view the concept of willing and social work participation itself - offers a new emancipators ideal.

12.3 My Approach to the Study

I adopted a cultural marxist framework that reflected the variability of work participation in alternative forms of industrial organisation. I drew on Habermas's work to derive one possible synthesis of marxist and weberian ideas and to highlight the potential of a broader socio-cultural framework. I then used this framework to highlight the limitations of the social action models in theories of organisation and work and to develop a dynamic model of work participation.

I interrogated that dynamic model of work participation comparatively across four dominant forms of industrial organisation. Those organisations were SEQEB, the South East Queensland Energy Board (or Energex), Eagle Boy Pizzas, the NSW Sugar Milling Co-operative Ltd, and Budge-Ellis Staff Co-operative.

Gathering data for my study involved both primary and secondary research. I used a comparative and longitudinal field research approach, unstructured interviews with an interview guide, and the collection of documents recommended by interviewees. I interviewed people working in relevant government agencies or in specific case organisations. And, my research involved travel in Qld and NSW.

12.4 The Body of the Study

Chapters two, three and four form the basis of my literature reviews. In chapter two, I synthesise key sociological works to outline a cultural marxist framework that acknowledges the variability of work participation under Capitalism. In chapter three, I acknowledged an important schematic outline of theories of organisation and work, and modified it to highlight the limitations of the social action models in those theories. Finally in chapter four, I present the preliminary model of work participation that I used to interrogate the organisations.

Chapter five outlined my methodology, research design, and methods. In that chapter I detailed the assumptions of Deweyan Pragmatism. Following that, I provided an overview of the research design components, detailing the modified version of constant comparative analysis, the comparative and longitudinal field research approach, and my rationale for using the case study as an instrument. I then delineated my use of a theoretically derived sampling frame, my theoretical sampling of cases, the crafting of the key informant technique used in conjunction with an interview guide, the additional collection of documents, the coding and memo writing of constant comparative analysis, the write up of my within and across case analysis, the fit of the core

postulates with existing theoretical perspectives and my rationale for closure. Finally, I addressed the issue of methodological soundness.

Chapters six through ten were my organisation stories. In chapter six (6) I wove a cultural marxist perspective on Capitalism. I presented material relevant to economic rationalism and to the institutionalisation of social relations. I concluded from that analysis that work participation; either willing and instrumental or willing and social exists within the context of the socio-cultural rationalism of capitalism, and social relations that are formally free or free.

Across chapters seven through ten extrapolated findings at the level of organisation and work. In each organisation I represented the internal workings of the dominant worldviews and the interface of any competing worldviews. I examined the findings to determine whether they upheld Weber's (1978a) notion of descending order of rationality or whether they lend credibility to the argument organisation could be sustained by a broader rationality. I drew on my cultural marxist perspective to detail how those worldviews influence work participation. I concluded from these analyses that in two of the organizations there were competing worldviews that influenced work participation, while in the other two organizations single worldviews resulted quite specifically in willing and instrumental work participation or in willing and social work participation.

For instance, in SEQEB two competing worldviews existed; one was the dominant economic worldview, the other the political worldview of industrialism. While the

legitimacy of the dominant worldview increased, it did not completely dispossess the political interests and values of industrialism. Hence, the existence of the competing interests of managerial and administrative staff as opposed to those of blue-collar employees, and the out of sync social effect at the level of organisation and work as demonstrated by the value conflicts of blue-collar employees. Work participation in that organisation was determined by the variable interconnection of those competing worldviews. Hence while work participation was predominantly willing and instrumental, there was a reactionary counterculture where blue-collar workers felt exploited by the prescribed values and interests of the organisation. In this way, the success of the structural and cultural reform of SEQEB remained partial.

In Eagle boys Pizza the dominant economic worldview was legitimated by a value rationality of sharing the pain in economic growth. As might be expected the effect of the interest motivations of the franchiser and the franchisees was to legitimate instrumental value rationality. Willing participation in this organisation was determined by one worldview. Hence, work participation was willing and instrumental. On this basis, the franchiser and the franchisees were willing to share in the pain of economic growth.

By contrast, in the NSW Sugar Milling Co-operative the dominant social worldview co-existed alongside the political worldview of industrialism. While the social rationality of the co-operative dominated, it vied for legitimacy in the context of the 'often competing' interests of the board of directors, and those of the mill employees. The effect of the interplay of those two sets of interests and values were to legitimate

two collectively oriented worldviews that nevertheless conflicted. Willing participation in this organisation was determined by the co-existence of two competing worldviews. Hence, while work participation was predominantly willing and social, it was opposed by a reactionary counterculture where blue-collar workers felt exploited by the prescribed interests and values of the co-operative.

Comparatively, in the Budge-Ellis Staff Co-operative the dominant social worldview existed in a self-contained manner. Hence, the social rationality of the co-operative dominated, and the members both staff and employees held mutual interests and values. Work participation in this organisation was determined by one dominant worldview. Hence, work participation was willing and social. Consequently, the worker co-operative was a self-contained organisation with a legitimated worldview.

In sum, I argued the findings across the organisations confirm industrial organisation can sustain either willing instrumental or willing and social work participation. And, I concluded from those findings that willing and social work participation is possible, but on under certain circumstances. Finally, in chapter eleven, I detail the sociologically informed model that is the outcome of my case analyses. This model delineates the establishment and limitations of willing and social work participation.

12.5 Further Research

My thesis points in the direction of further work on co-operative forms of organisation and work and their commonweal ideologies. In particular, my findings demonstrate a crowding out of co-operative forms and ideologies, not only by capitalist forms but also

by trade unions. Hence, there may be a tendency to attribute the major role of crowding out to capitalist forms and to under rate the significance role played by trade unions. On that basis, I believe there is a need for more research on the social limitations of capitalist organization, and certainly more directed research on the competing role trade unions. I expect the social limitations of organisations are open to expansion, and while I believe the ideals of trade unions are collective and defensive it may be they will be open to modification in the future.

Furthermore, the Australian co-operatives I have studied can be compared to the type of co-operatives developed in Britain by the Industrial Common Ownership Movement (ICOM), in Mondragon Spain by a small number of unemployed skilled workers, and in the European Community through social and economic policy. Although the Australian co-operatives movement has had a marginal impact to date, there is a growing recognition of the social and economic benefits that co-operative organization can provide. For this reason, while the worker co-operative studied in my research may not be typical of the broader co-operative movement, it has arguably achieved a level of co-operation and equality that is absent in more capitalist forms of organisation, and this success should be studied, exemplified and reproduced.

The type of research I suggest has the potential to increase the legitimation of co-operative forms of organisation and work and their commonweal ideals. Although, the Australian co-operative movement has many achievements, there remains the problem of establishing a socially progressive rationality that makes practical or operational sense to the people at work. The emancipators ideal of willing and social work

participation is intended to epitomise the goals of the enlightenment project, and to lead in that direction.

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Appendix A:

Interview Guide

First, a general outline of the study is to be explained to each interviewee. The aim is to give all of the informants some common orientation. Following this a brief overview of the topics is to be given, such as 'institutional or regulatory context', 'the level of organisation', 'the level of work, 'direct and indirect incentives to work' or 'other incentives'.

General Outline: I want to emphasis that my study sets out to explore how and why the system of work here works generally. I will be looking at the broader regulatory context, then focusing on the organisational level, and then the level of work processes and I have a specific interest in direct and indirect incentives to work. I am looking for first hand accounts based on your own perspectives and opinions.

First topic: I want to cover the current regulatory context and any changes in that context which you may perceive to be important.

Second topic: What changes if any have been made at the organisational level to facilitate change in the regulatory context / or vice versa.

Third topic: Impact of environment / structure, technology.

Fourth topic: Reactions of staff at different levels: either level of organisation or level of work processes.

Fifth topic: Culture or cultural change

Sixth topic: Direct / indirect incentives to work.

Seventh topic: Other issues that might be perceived to be important.

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+++++++++
+++ ON-LINE DOCUMENT: Bureaucracy2
+++ Document Header:
*Name: Mr. Mike Guy PRIVATE
*Interview #: 2
*Date: 30 April 1997 2.00pm
*Place of Interview: 103 Marshall Road, Rocklea,
*Qld, Brisbane.
*Sex: Male
*Age:
*Occupation: Training and Education Manager
*Education: MBA QUT

(2 1)                    /Capitalism/economic
++ Units:27-43     48-68     106-136   142-156
(2 2)                    /Capitalism/political
++ Units:564-573
(4 1)                    /Organisation/structure
++ Units:219-253   255-284
(4 3)                    /Organisation/technology
++ Units:194-213   283-299   371-452   855-934
(4 4)                    /Organisation/local ideology
++ Units:72-102    157-161   171-190   452-493   656-696   698-733
738-751   753-764
855-868   931-993   997-1014  1017-1063
(5)                      /Work
++ Units:798-831   834-848
(5 4 2)                  /Work/direct incentives/wage incentives
++ Units:491-518   523-564
(5 4 3)                  /Work/direct incentives/status motivators
++ Units:575-651
(5 5 1)                  /Work/indirect incentives/affective responses
++ Units:301-377   765-774   776-798
+++ Retrieval for this document: 1089 units out of 1089, = 100%
++ Text units 1-1089:

1
VERBATIM TRANSCRIPT OF AN UNSTRUCTURED INTERVIEW
2
IN CONJUNCTION WITH AN INTERVIEW GUIDE
3

4
Interviewer: I want to emphasise that my study
5
sets out to explore how and why the system of
6
work here works generally, um that I am looking
7
at direct and indirect incentives in specific,
8
and I want to identify the problems that
9
```

management see as significant. Now, what I am
really looking for is a first hand account based
on your own perspectives and opinions. Um and I
am going to be .. I have a framework that I am
covering so I will be looking at the broader
context, coming down to the more organisational
level and then looking right down at the work
processes.

Interviewee: O.k.

Interviewer: So the topics that I am covering
are very general. Now the first topic that I
want to cover is the current regulatory context
um and key changes in that context which you
feel may be important.

Interviewee: I guess the obvious regulatory um
changes that are occurring which are impacting
fairly heavily on us at the moment ah at
probably all levels of the organisation would be
the electricity reform agenda which the
government, the state government, is currently
undertaking um and and which is designed to fit
in with the national electricity market and and
the general worldwide thrust and push towards
um, you know, contestability and a more market
driven infrastructure as opposed to the more
traditional sort of public service type um
infrastructures of the past. So that is

affecting us quite alot because there is alot of
40
restructuring and ah, I guess reinventing our
41
business to fit into a market driven model as
42
opposed to a budget driven model.
43

44
Interviewer: O.k. so how is that model intended
45
to work.
46

47
Interviewee: Um I quess in terms of being able
48
to run as a proper commercial business which is
49
driven by the market place and by profit, being
50
able to show that we can conduct a profitable
51
business. If we can't conduct a profitable
52
business then we presumably go out of business.
53
Um I think that is the difference between that
54
and where we have been in the past is that we
55
are used to operating in a monopoly environment
56
and our culture is pretty much based on that. We
57
have been operating in a monopoly environment
58
with a government funded budget and ah so we
59
have been providing ah what amounts to an
60
economic service ah but that has been doing it
61
on the basis of running as a monopoly and of
62
course you just simply don't get the same
63
efficiencies out of that as you do out of a
64
competitive environment. So for us that is a
65
major change in culture and thinking and I guess
66
the ... if I could just ramble on for a little
67
bit longer.
68

69

Interviewer: Yes

Interviewee: I guess one of the things that ah emerges as you go through that process is that parts of your culture and structure and so on change ah more quickly than others so you get a sort of out of sinc effect. To give you an example in my own department we have a couple of business centres who are trying to tap more and more into external markets and operate as profit centres and do all this kind of thing which is in keeping with the sort of broader philosophy of where the whole organisation and industry is going and ah what you find is that you can't altogether run a market driven business because there are quite a lot of regulatory and other constraints placed upon you, which are appropriate in a sort of government driven monopoly environment, but which is becoming less and less appropriate. It is taking time for change to percolate through those areas, so your award systems for example, you mentioned industrial relations earlier on [ref was to the discussion on my academic background], your industrial relations constraints, there are a whole lot of things that prevent you from operating as efficiently as competitors in the outside um area. So um, those are the sort of issues that we are trying to sort of work through as we, as it were, all the parts of the

machine are changing but you know they are not
100
all changing at the same rate.
101

102
Interviewer: O.k. so um what do you feel are the
103
major factors that brought these changes about.
104

105
Interviewee: Um, I believe that it is um, they
106
are really related to a world wide trend, given
107
the fact that with global economies, you know we
108
are sort of linked into the global economies, as
109
ah as with other countries it is very hard to
110
[unclear] your economy these days and there is a
111
global ah worldwide trend towards um becoming
112
more internationally competitive by sort of
113
cleaning up your act in terms of your
114
infrastructure, like communications,
115
electricity, water, gas, all the utilities type
116
thing and so on and of course the traditional
117
water front and all these things, where there
118
have been heavy market distortions by virtue of
119
government monopolies and other forms of
120
monopoly activity. Um I think the country has
121
realised that if you are going to be able to
122
compete in the world economically, you have to
123
have those things operating efficiently in a
124
market environment. And ah you know Australia is
125
is, simply is doing that. You know I went to a
126
talk the other day and the point was made that
127
these sorts of reforms are occurring in a pretty
128
similar sort of way um in a similar time frame
129

even throughout Europe and the United States,
130
and you know when you look at what Europe has
131
been doing, and Britain of course went down the
132
privatisation path, which is sort of one
133
variation of the same thing ah somewhat earlier
134
than some
135

136
of us. But there is a general trend there and
137
everybody is basically doing the same thing.
138

139
Interviewer: Hmm.
140

141
Interviewee: And I think it is the case that if
142
you fall too far behind that sort of economic
143
rationalist drive, you your ah balance of
144
payments get worse and various other things
145
happen which we can't sustain. So governments
146
are keen to get their acts together and um
147
nationally we have got the, the national .. the
148
federal governments um driving the national
149
electricity market and generally pushing that
150
along and each individual state is responding by
151
restructuring its um its ah electricity
152
utilities area to fit in with that. So there are
153
the main .. I think that is really the main
154
legislative change that is occurring I mean
155
there are always legislative things occurring,
156
but that is probably the biggest single shift
157
that we are going to have to make and it is
158
going to have huge structural and cultural
159

implications I believe.
160

161
Interviewer: Hmm. At the level of senior and
162
middle managers, how welll do you think that has
163
been accepted.
164

165
Interviewee: Actually I think it has been
166
accepted reasonable well.
167

168
Interviewer: Uhmm.
169

170
Interviewee: I think that most middle managers
171
and senior managers realise the that that it is
172
pretty inevitable. You know that we we have to
173
go down that path. And I don't think that that
174
there are many of them who would say that we
175
should go back to the past. There are varying
176
degrees of acceptance of course but I think on
177
average I would say that they have responded
178
quite well and quite willingly and I think that
179
alot of senior and middle managers can see that
180
while there are some down sides that there are
181
also some opportunities and some benefits that
182
that can derive from this and from from a
183
personal point of view if someone like myself
184
finds himself working in higher risk environment
185
than they used to work in but in some ways in a
186
more rewarding one you are busier you make more
187
money and and there is a greater risk of you
188
being sacked.
189

190
Interviewer: So for the downsides that would be
191
...
192

193
Interviewee: I guess the downsides are that you
194
do have less job security um I think you have to
195
and it depends how you see the world but you
196
have to make hard decisions.
197

198
Interviewer: Hmm.
199

200
Interviewee: You have to be prepared to make
201
decisions you have to make them fairly quickly
202
and sometimes they are not pleasant um and you
203
can't afford to just remain in a state of
204
indecision and ah plod along. If you have
205
problems with staff you have to deal with them,
206
you have to be efficient. If you have to put
207
people off you have to put people off, all those
208
sorts of things. And that is something that a
209
lot of senior managers and middle managers
210
aren't used to from the sort of past
211
environment.
212

213
Interviewer: Right, so what specific changes
214
have there been that have been made at the
215
organisational level to facilitate this new
216
model that you have been talking about.
217

218
Interviewee: Ah we have changed the fundamental
219

structure of .. I'll talsk about SEQEB. The same
220
is true of the other electricity corporations.
221
Um, SEQEB being by far the biggest of the
222
electricity corporations has fundamentally
223
restructured along what they call process lines.
224
Identified sort of what are the main core
225
businesses and ah of course in doing so been
226
mindful of the direction that the reform agenda
227
is taking generally throughout the country and
228
ah SEQEB has prepared itself by alligning its
229
sort of core businesses with that sort of
230
overall electricity market framework ah and for
231
example made a clear delineation between the
232
retailing functions and the network function and
233
the support various support functions ah and um
234
in doing so it has sort of really prepared
235
itself for those things to be split or
236
greenfenced or whatever it is. Before that there
237
was really no clear distinction between for
238
example the network function which is sort of
239
the transport of the electricity if you like and
240
the retail function which is the selling of
241
electricity and providing the customer service.
242
You went along to a SEQEB branch and the people
243
themselves didn't see them didn't see a clear
244
separation between the two functions and I guess
245
the other thing that that brought out is the
246
fact that retailing isn't only about selling
247
electricity it is also about buying electricity.
248
And in an electricity market you have to be very
249

smart about buying, bulk buying, in a high risk
250
market place and being able to sell that at a
251
very very tight margin, so retailing is a whole
252
new ball game for us.
253

254
Interviewer: Uhmm. Can I ask, where does um
255
Employee and Public Relations and your unit
256
Training and Education fit into the new model.
257

258
Interviewee/er: [small amount of overtalking by
259
both]
260

261
Interviewee: Yeah, at the moment, it provides
262
support to both retail and network, um as does
263
the Finance division and the Business systems
264
division, for example, those are all support
265
divisions which are going to be combined. In the
266
new model, it hasn't happened yet but in the new
267
model it will be combined with Finance and
268
Business systems into one sort of very large
269
collection of support functions. Those support
270
functions are going to be encouraged to set
271
themselves up as either cost centres or business
272
centres ah so there will be some transfer
273
pricing, we will be able to send clear pricing
274
signals to the people to whom we provide the
275
support and the people to whom we provide
276
support will be able to make business decisions
277
about what support they need, and how much they
278
are willing to pay for it, and things like that,
279

so it won't be just simply be a whole lot of
support functions being driven by a budget which
in turn impacts on a corporate overhead which
then finally descends back on the core
businesses. I mean the core business will be
empowered to be able to make buying decisions
and that is one of the reasons why the cultural
change is I guess being percolated through to
the support people like my area um because we
are finding ourselves having to operate as a
business and sell our products and services to
our internal customers as well as to our
external customers. In my case its its we have
had something of an advantage of having operated
in an external market place for a fair while and
a fair bit of our revenue of my department comes
from outside. So we are a little bit more
acustomed to working in a market, you know being
market driven environment, than perhaps some
support divisions some support areas will be.

Interviewer: O.k. so what are your perceptions
of um acceptance by support people.

Interviewee: Ah I think it is a little bit more
difficult.. oh sorry support people as in ..

Interviewer: In your area.

Interviewee: You mean support staff or ...

310
Interviewer: Oh, o.k. it is my understanding
311
that people generally work as specialists with a
312
range of support staff, so for example you would
313
have a range of support staff working under you
314
and that you would be in charge of making those
315
changes, facilitating those changes...
316

317
Interviewee: Yeah, so what are their reactions
318
as opposed to my reactions.
319

320
Interviewer: Yes, yes what are your perceptions
321
of their reactions.
322

323
Interviewee: Yeah, yeah that's right. Um I think
324
that, it has been my perception that by and
325
large support staff are pretty good at realising
326
that the the ah, they may not necessarily agree
327
with it all, but they are good at realising that
328
a lot of the changes are driven by external
329
inpulse, they are not just something that we are
330
doing for fun. And I think that in SEQEB the
331
executive management in SEQEB has been pretty
332
good at transmitting information so that people
333
realise that there is an international market
334
there is ah some very large external changes
335
going on and that ah we can sink or swim kind of
336
thing its not you know we want to have a good
337
profitable business in the future, together,
338
down the track and to do that we have to make
339

alot of changes to the way we do things. And I
340
think alot of support staff are picking that
341
message up and realising that you know that it
342
isn't just management doing something horrible.
343
Um having said that ah I think what is more
344
difficult for support staff sometimes is from
345
their ah what I see is their perspective, they
346
are fairly close to the coal face and the big
347
picture is often not all that clear and they can
348
they sort of get these vibes all the time that
349
we have got to be you know more competitive and
350
more efficient. They often I think don't feel
351
very empowered to ... almost as sort of saying
352
to you, you know you've got to do this or jump
353
through this hoop or do handspins or something
354
but if you are not equipped and don't have the
355
capacity or the wherewithal or the tools or what
356
ever it is you may be willing and all that sort
357
of thing but I think not able to respond and I
358
think that it um has been my experience talking
359
to alot of people who are close to the coal
360
face, and I hope this is answering the right
361
question by the way...
362

363
Interviewer: Yes.
364

365
Interviewee: Um that, they will say, you know we
366
want to be efficient we want to be competitive
367
but there is so many corporate rules and
368
corporately imposed bureaucracies and there is a
369

whole lot of corporate overheads and wastes and
370
which we can't do anything about. And now if we
371
are going to have to go out there and compete
372
with outside ah companies and contractors and
373
people for work ah we think we could do it if it
374
wasn't for all these sort of corporate um
375
millstones, you know.
376

377
Interviewer: Will many of those millstones be
378
changed.
379

380
Interviewee: Oh, ah, yeah I think alot of them
381
will. I think there are two aspects, one is I
382
think alot of those millstones will be changed
383
and it is a part of what I was saying earlier
384
about different parts of the organisation
385
changing at different rates um I think there is
386
also a need for people who are close to the coal
387
face possibly to learn more about where those
388
costs are really coming from too. I think that
389
alot I think that it is easy to think that your
390
that what you are costing is a lot less than
391
what you are really costing. And if you say to
392
people well o.k. there are alot of corporate
393
overheads but if you were working as your own
394
business and you had to look after your own
395
recruitment and your own training and your own
396
you know everything um your pay your this your
397
that your other um you would incur a lot of
398
costs that you are not incurring now, so it is
399

simplistic sometimes and you know again it comes
400
back to the environment that we work in. You
401
know if you have been working in a branch you
402
know building power lines or something ah an if
403
you come from that culture and you see things
404
very much in task related terms you know you see
405
that you are doing something useful when you are
406
putting up a powerline and you know you know
407
that you can do that at a certain number of
408
labour hours what ever it is and that translates
409
into so many dollars an hour or something like
410
that. You can't understand why somebody insists
411
that you are costing $70-80-90 an hour when you
412
know you think that you are only costing you
413
know $20-30 an hour and you think it must all be
414
corporately imposed overheads and in fact there
415
may be a lot of cost there that you would have
416
to incur if you if you cut yourself free of the
417
corporation and you still had to cover all those
418
things somehow.
419

420
Interviewer: Hmm.
421

422

423
Interviewee: And I think it is a sort of
424
worldliness that you know alot of us lack. You
425
know if you have been in a monopoly environment
426
and you have able to concentrate on a task while
427
somebody else albeit maybe inefficiently and
428
bureaucratically concentrated on alot of those
429

other things for you and pay just turns up by
430
itself on a Friday you know and the biscuits and
431
the tea, and the lunches and the lunch room, and
432
the buildings and the cleaning of the buildings
433
and the lawn mowing all happen by itself. It is
434
a bit like when you are at home, and you know
435
your your mum looks after everything and you
436
know washing up does it self and ah all these
437
sorts of things.
438

439
Interviewer: Hmmm.
440

441
Interviewee: And I think we that it is a sort of
442
worldliness thing that people in contracting
443
themselves understand, you know that there are
444
alot of costs, small business costs which
445
probably our people don't realise. So I think it
446
is a combination of being having the freedom to
447
be able to provide your own support efficienctly
448
and effectively and at the same time being
449
educated to the point where you understand what
450
that really means.
451

452
Interviewer: So, do you have processes in place,
453
or how do you go about dealing with that, or is
454
it still an open situation.
455

456
Interviewee: In terms of the cultural change and
457
educating people.
458

459

Interviewer: Hmm.

Interviewee: Um we do up to a point. Um we we we've have been um we are aware of the fact that the cultural change has to take place. And I know in my department we have provided a certain amount of training that is oriented towards improving peoples skills in areas like negotiation, some of ah the commercial type things. Ah, how do you .. you know giving them a basic understanding of some of the commercial realities and that sort of ... at a more senior level we have conducted leadership training in the form of ah assessment centres and all this kind of thing, ah people like myself and Joe Abercrombie and Tony Bennett have been through it, which is to try to get the senior level management to try to understand what sort of competencies they need to operate in a commercial type of environment. Um, so there are a number things that are going on in order to try to just to bring people up to date. The other thing I think there is a lot more dissemination of information about performance, commercial performance if you like, ah business performance ah of the organisation and even things like gradually moving, and again we are constrained a bit by legislation but we are gradually moving more towards ah remuneration and reward systems which are reflective of how

well the organisation is doing in a business
490
sense rather than simply in a task based way or
491
something like and um whether we have just kept
492
to our budgets. And ah for example we have
493
gainsharing in place which provides a bi annual
494
bonus for people based on um on ah you know five
495
or six key performance indicators, which which
496
gets people thinking about you know ah how is
497
controllable operating costs or the earnings
498
before interest and tax or whatever it is, and
499
how do those kinds of ratios, and also things
500
like the sick leave ratio and how do those
501
things impact on the corporate performance and
502
how do they effect my little six monthly bonus.
503
At a more senior level, those of us who are on
504
executive contracts um we get a bonus, if you
505
like a performance based component built into
506
our contract and things like profitability and
507
how we impact on the commercial performance of
508
the organisation rate pretty highly in that
509
assessment and that at risk component of salary
510
if you like, the performance based component is
511
an increased as we sort of get our contracts
512
renewed that is becoming proportionately
513
greater. So there is a gradual shift towards
514
increasing the portion of your remuneration
515
which is based on performance or contribution to
516
corporate performance, as opposed to the fixed
517
part of your remuneration.
518

519

Interviewer: Oh, right, o.k. When you say you
are gradually moving what do you mean by that.

Interviewee: I used the word gradually because I
think we know where we want to be to a pretty
fair extent in terms of linking rewards to
corporate performance and and those kinds of
things and you could almost set out where you
want to be but getting there is a slow process
because um there are so many other things that
have to be sorted out. I mean there is
Industrial Relations and existing awards for
example which is very constraining, the
Electricity Act which is due um it is going to
be altered that Act and regulations will be
changed this year as part of the reform process.
Um I think that ah they realise that they can't
carry out the reform process without changing
the Act and regulations but they also realise
that in doing so um you know they have got
limited time, so they are going to take a
minimalist approach to that and what we are
finding you know is to operate commercially we
can only sort of move a step at a time,
gradually if you will, to this final version of
what we want to be.

Interviewer: So are there other incentives apart
from remuneration linked to performance. What
other incentive systems do you have in the

organisation.
550

551
Interviewee: Well at the moment there is
552
probably a singular lack of incentive systems
553
other than that because um again you know
554
culturally we have come from a climate where
555
people got jobs because they liked the job
556
security and they might have felt comfortable
557
with the type of work they were doing but they
558
don't want to be particularly bothered about you
559
know the insecurity or performance related
560
issues and things like that. So at ah we we have
561
taken a very gradual approach to this of
562
necessity because you run into all sorts of
563
problems. I mean even bringing in the
564
gainsharing we brought in the gain sharing trial
565
and the unions objected and it all went quiet
566
for about two years and we had to work through
567
all this industrail relations stuff you know and
568
gradually get it back in again and of course all
569
the staff are crooked as hell you know because
570
you know they have been stopped from getting an
571
extra benefit you know. And there is all those
572
kinds of politics that you have to work through.
573

574
Interviewer: So if you heading gradually towards
575
that system, um how would you describe it. In
576
your own words how is that system of incentives
577
intended to provide incentives to work. Is there
578
more involved than than financial reward or ..
579

580
Interviewee: Yeah, I
581

582
Interviewer: What are some of the other things
583
that might be important.
584

585
Interviewee: I think that that is right. I think
586
that at the moment there are limited
587
opportunities in any .. to provide any
588
incentives beyond the normal rigid you know
589
award type but there are certainly other
590
incentives creeping in and I think at a fairly
591
senior level ah where it is easier to do things
592
without getting into trouble um we we've for
593
instance we have got use of private use of
594
vehicles and a few things some salary sacrafice
595
for benefits and things of that sort, so we've
596
got ... it's still remuneration related I guess
597
but I mean it sort of we are gradually moving
598
down the track of finding other ways of
599
rewarding people than purely through you know
600
more cash in the pay packet. Um and I think what
601
we will see down the track will be increasingly
602
dealing with things like you know how people
603
feel about their you know their um work
604
individual status or whatever things that appeal
605
to them in other ways than simply money. I think
606
it is generally recognised that money is not in
607
itself a great motivator, just simply paying
608
somebody a few more dollars has a temporary
609

affect and so we are looking at a number of ways
610
but again we are finding we are running into
611
sort of difficult. I mean in my for example, in
612
my business centre called Esitrain, the
613
technical one, um they are competing now with
614
small training groups who simply pay their
615
people a fairly attractive package and in that
616
package there are things like you know a
617
corporate card and you know that they use if
618
they stay in hotels and all this kind of stuff
619
and they get this and they get that. My people
620
on the other hand are far more .. we are far
621
more restricted in how we can reward them um and
622
if they sort of go and stay in a bush town where
623
they are conducting some training for another
624
organisation another company um they they run
625
into all sorts of difficulties paying for motel
626
costs and being coming up in the spot light of
627
our auditors and you know they can't have you
628
know they can't have a corporate card and there
629
are all these sorts of issues um so there are a
630
lot of constraints ah there in terms of how we
631
reward them. Now, those things aren't whilst
632
they sound like they are financial issues, they
633
have a lot of other impacts you know people feel
634
that they look silly if they go up and do some
635
work for a client and then you know they can't
636
even sort of buy them a beer or something
637
afterwards because you know that will go on the
638
bill and then the auditors will pick it up and
639

why are you buying alcohol on the job or
something you know and there are all these sorts
of rules which if you are in the private in
private enterprise aren't an issue. So ...

Interviewer: I take your point.

Interviewee: So there are things there that
staff sort of feel that they are not trusted at
all or that their status is undermined or
whatever it is and all that sort of thing.

Interviewer: Hmm.

Interviewee: But I don't think that we have got
yet very far with this reward issue.

Interviewer: And what sort of um culture would
you like to see or do you think that would work.

Interviewee: Um generally speaking.

Interviewer: Hmm.

Interviewee: I think that um, I believe, a
culture far more like a, a more flexible
culture, less rigid, less hierachical, um sounds
a bit like traditional text book stuff but um I
believe that we need to get a lot more decision
making power at the coal face and I think we

need a culture where people at the coal face
670
really understand the links or connections
671
between what they do in the commercial success
672
of the organisation. And because they understand
673
that and because their rewards be they monetary
674
or otherwise are linked to those things they
675
will make good decisions and be able to be
676
trusted to make good decisions at the coal face.
677
Ah and I think ah having a much more flexible
678
approach and ah less sort of um less layers in
679
the organisation sort of looking over
680
everybodies shoulder and checking what everybody
681
is doing. I think we need to be able to make
682
quick decisions. One of our weaknesses at the
683
moment is that we still although we might be
684
better than a lot of ah public service areas, we
685
still suffer from our sort of legacy of ah
686
hierachical and you know sort of um sort of I
687
guess mechanistic sort of legacy that we have.
688
We still ah find decision making a slow process
689
we are not good at managing risks, we are not
690
good at saying well look there is a risk
691
attached to not making a decision, we tend still
692
to want to dot all our i's and cross all our t's
693
before we decide something. There is issues like
694
this I'd like to see ah .. not a high risk
695
environment...
696

697
Interviewer: It is asking a lot more of people
698
isn't it...
699

700
Interviewee: Yeah. It is quite a cultural shift
701
and I think that is where we want to get if we
702
really want to be successful.
703

704
Interviewer: Can I just ask is that cultural
705
shift tied in with individual improvement.
706

707
Interviewee: How do you mean when you say is it
708
tied in with individual ...
709

710

711

712
Interviewer: Well, individual improvement as in
713
there are systems based on performance um
714
measuring performance for example, looking at
715
processes, trying to understand where the
716
processes break down, is what your are
717
describing to me something different to that
718
individual performance model.
719

720
Interviewee: Um, I think what I am describing to
721
you is something that is creating a sort of a
722
framework if you like an environment a cultural
723
environment whatever you want to call it in
724
which the contributions made by individuals will
725
tend to be far more alligned to what constitutes
726
success in a market driven world than it does
727
now. I think if you have a fairly mechanistic
728
sort of hierachical type culture then peoples
729

behaviour will reflect that. Does that make any
730
sense.
731

732
Interviewer: Yes.
733

734
[Break interviewee got up to write something
735
down]
736

737
Interviewer: Do you think that it will be, do
738
you think that people can make that transition.
739

740
Interviewee: I think that it will be easy for a
741
small minority to make that transition. I think
742
that it will be extremely hard for the majority
743
to make that transition. I think that we are
744
stuck with paradigms and all sorts of things
745
which make it difficult. Ah not because people
746
are deliberately resisting some of these changes
747
but I think it is difficult to get our minds
748
around the sort of changes we are talking about
749
and to be able to make that sort of paradigm
750
shift that is involved in that.
751

752
Interviewer: Hmm.
753

754
Interviewee: That will be quite difficult I
755
guess.
756

757
Interviewer: Well it is because it is very
758
different from a mechanistic model and you are
759

asking for very informal cultural changes or in
a sense it seems that is almost what the system
needs to make it work.

Interviewee: Yeah, yes, well I believe so.

Interviewer: And do you think that people will
perceive satisfaction ...

Interviewee: Yeah, if they make the change ...
Yes, I do. Yeah I believe that people who are
able to get through that change process and
operate in that new sort of culture, I think
will find it extremely rewarding. Yes
definitely.

Interviewer: O.k. um your expections of
continuing successes and problems in terms of
what we have just spoken about. Just to round it
off.

Interviewee: Ah, I think we've got a hard road
in front of us. I think we have got a reasonable
prospect of success. I think though that there
will be quite a few people who won't be able to
and or who won't wish to make the change you
always find that where there is major change and
that those people will have to come to terms

with that and go and find something else to do
790
or whatever and hopefully the organisation will
791
be able to accommodate that somehow as it has
792
been doing quite effectively with a combination
793
of redundancy and redeployment and recognising
794
that not everyone is going to want to move along
795
the change road and and ah we have to treat that
796
with a certain amount of sensitivity.
797

798
Interviewer: O.k. I just want to check, you said
799
that you are fairly restricted in terms of what
800
you can put into your training and development.
801
Have you made any ...
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803
Interviewee: Ah it is not so much that we are
804
restricted in terms of what we can put into our
805
training and development as much as we are
806
restricted in terms of what we can do
807
organisationally as an organisation and I
808
suppose that one of the problems we find with
809
training and development is .. I take it you
810
mean the type of training and development that
811
you do .. that again if I can come back to the
812
fact that we have got strategy, structure and
813
culture and all these things moving along and
814
they keep getting out of step and some things
815
are dragging and I think that when you sort of
816
take something like training and development it
817
needs to be sort of synchronised with various
818
other things that are going on otherwise you
819

sort of take your training and development up
here and say well look we will provide training
and development which is consistent with the
sort of world that we are heading towards and
we'll sort of rate peoples skills, training,
expectations and a whole lot of things and then
they go back into systems and structures and all
sorts of other things, which don't allow them to
do these sorts of things, and then you are
tending to send mixed signals and I think people
find difficulty with that.

Interviewer: I understand.

Interviewee: Ah and so sometimes there is the
danger that you can actually send people
backwards because when they start getting mixed
signals they will sometimes regress and I think
you know that we have to be careful that there
is enough consistency in the process that we
don't that we leave people alone when we find
that there is a consistency right across, we
don't sort of encourage them with one hand and
with the other hand we sort of hit them on the
head and say well you know the system just
blocks them or some other signal that says you
know where do you think you are going, kind of
thing.

Interviewer: All right, that is about it.

850
Interviewee: O.K. Well I hope that is of some
851
help.
852

853

854
Interviewer: Um, can I just ask does the concept
855
learning culture mean any thing to you.
856

857
Interviewee: Yeah, yeah we we've got interested
858
in developing a learning organisation type
859
culture um shifting sort of getting back into my
860
own patch a bit that what we are keen to do is
861
to is to shift from a training culture to a
862
learning culture. The idea that we would like to
863
empower people to learn and put the control of
864
the learning back into the hands of of people
865
themselves, rather than the trainer doing this
866
thing to you you know. So what we would like to
867
move towards is um putting into place the
868
necessary systems and things so that we can
869
facilitate or empower people to manage identify
870
what learning they need to develop so they can
871
manage that learning process in such a way that
872
we sort of achieve something like a learning
873
organisation. Now because one of the things that
874
the sort of flexible organisation I was talking
875
about before is that it needs to be able to, and
876
this is why I think we need a flexible
877
organisation by the way not a mechanistic one,
878
is that we will need to be able to move quickly,
879

to be able to learn quickly to adapt and respond
880
quickly to changes in the market place. In the
881
past we sort of knew exactly what we would be
882
doing in twenty years time so it was very easy
883
to operate in a mechanistic model and to be
884
fairly assured that things were going to be,
885
stay the same, and you know you would just be
886
doing things the same way. So I think that is
887
important, so I think a learning culture and a
888
learning organisation type model is sort of
889
where we need to go so the organisation can
890
learn and adapt fairly quickly.
891

892
Interviewer: Right, so you haven't been able to
893
put a lot of those systems in place.
894

895
Interviewee: No. I think that is fair to say.
896
We've started moving down the track in some ways
897
in that we are trying to develop a lot more, um
898
we are trying to shift from training centre type
899
training approaches to providing mechanisms for
900
learning to take place in the workplace under
901
the control of the workplace and to set it up in
902
such a way that you can measure the results and
903
see that you know you can monitor and audit and
904
do those things. Um, but um it is again there
905
are so many things changing at once and people
906
are feeling you know quite pressured by a lot
907
of these things. So you know as you bring in new
908
concepts people start going into overload ah and
909

you have to be careful you know in how quickly
910
you do some of these things.
911

912
Interviewer: Hmm.
913

914
Interviewee: So I guess it is fair to say that a
915
lot of our traditional approaches to training
916
and development have .. tend to persist and
917
there is quite a lot of you know even among
918
trainers there is a lot of resistance to change.
919
I guess you know I have been sort of pressing, I
920
have two training centres now and I have sort of
921
been pushing them to move away from the sort of
922
training centre concept and start thinking about
923
you know the sort of various learning models and
924
what I have been finding is that that there is a
925
tendency for people to keep going back to their
926
comfort zones and you know just keep pulling in
927
all these trainees and pushing them through the
928
training centres and cranking them through sort
929
of standard courses.
930

931
Interviewer: What do you think that it is about
932
the learning culture model that um is difficult.
933

934
Interviewee: I think that it is just that in
935
practical terms you know it is hard for trainers
936
to take the concept and to convert it into
937
something that is that is fairly straight
938
forward to administer. Now they understand what
939

they have been doing and they have got the
940
administration system set up for that and they
941
have got the facilities and everythin and they
942
can just crank this through, something that is
943
easy like making hamburgers or something like
944
that, you sort of understand it. When you start
945
talking about trying to develop a learning
946
culture ah and things like that and what does
947
this really mean, people say well ah that is an
948
interesting concept ah I'm not quite sure what
949
you are getting at, well anyway I have got a
950
course to run, you know. So it is the old
951
comfort zone thing I think you know we know what
952
we are doing and it is very hard to sort of make
953
the move.
954

955
Interviewer: Do you think many of your support
956
staff would know what a learning culture is.
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Interviewee: No.
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960
Interviewer: Have you managed to progress
961
anywhere in that area yourself.
962

963
Interviewee: I think the staff would have some
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difficulties. And a lot of them, you may find
965
that if you talk to some of my support staff
966
that some of them will say that I tend to come
967
up with concepts and then they have got to sort
968
of somehow figure out and implement them and
969

they are probably right. And it is one of the
970
difficulties that you have if you enjoy moving
971
ahead and you know conceptually and then say to
972
people you know look why don't we try to move in
973
this direction and then the people who are doing
974
the day to day operations, you know, say not
975
another bright idea, let us get on with this you
976
know. It makes it hard. So you have alot of
977
inertia, cultural inertia or whatever you want
978
to call it in an organisation and particularly
979
in and you know I have a lot of sympathy for you
980
know if you are in an organisation and simply
981
keeping things going operationally, whether you
982
are putting wires up or running courses or
983
whatever it is and or whether you are thinking
984
about the course you are running the next day
985
and making sure everything works and some smart
986
alec manager comes along and says you know lets
987
think about learning culture you know they
988
switch off very quickly.
989

990
Interviewer: Yes, I understand.
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993

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Interviewee: So that is difficult, but there are
997
some very interesting things that you know
998
directions that I would like to us move in and I
999

think that as our own culture becomes more
1000
flexible it will become easier for us to be able
1001
to move more quickly in those directions. At the
1002
moment our own culture is still very
1003
mechanistic. It is extremely difficulty you know
1004
to get people out of some of those mindsets. If
1005
you try to start to empower people say look you
1006
know how about managing this bit yourself and
1007
making your own decisions about this that and
1008
the other. They say "Oh oh we don't want to be
1009
self managed" you know. Alot of inertia is
1010
there. So that is what makes it difficult. But
1011
we don't have a learning culture throughout the
1012
organisation as a whole either.
1013

1014
Interviewer: Ummm.
1015

1016
Interviewee: People are so used to be being
1017
relatively passive. Um, although we have a good
1018
training culture you know in our organisation
1019
our industry it is recognised that our people
1020
should be highly skilled, there are a lot of
1021
critical safety issues in the technical side of
1022
the businesss, people value training, they value
1023
qualifications all that, that has been
1024
traditionally excellent, but it is really more
1025
of a training culture than a learning culture if
1026
you get my drift um and trying to actually move
1027
towards a learning culture is generally quite
1028
difficult you know. Among the trainers that I
1029

have just described ...
1030

1031
Interviewer: Is it correct to make the
1032
assumption that a learning culture is something
1033
that makes someone more, ah less rigid in their
1034
daily responses to situations.
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1036
Interviewee: Yes. Yeah, well that is how I am
1037
seeing it. I am seeing learning culture as being
1038
a culture in which people are less perhaps rules
1039
driven and are able to become more flexible and
1040
more able to adapt by learning rather than
1041
simply applying rules or a rules based approach
1042
which they already know and um and I guess what
1043
I was sort of implying before is that if you
1044
respond with a rules based approach all time
1045
then you want to be pretty sure that the world
1046
isn't changing too quickly because your rules
1047
might get out of date. And if you are going into
1048
a changing world then you really have to adapt
1049
and learn rather than simply ... you are
1050
continually learning. I think that one of the
1051
things that we need to do is to to develop um
1052
that sort of concept throughout the organisation
1053
and then facilitate learning rather than
1054
focusing on training people. Um because I think
1055
the old training culture has tended to be by a
1056
rules based approach a bit too. You know it is
1057
quite suited to a mechanistic organisation. When
1058
you try to get into a more flexible culture I
1059

think you you really have to back away from
training people and try to facilitate a learning
culture. That was that is certainly my idea.

Interviewer: O.k.

Interviewee: But we have got a long way to go in
that area.

Interviewer: Thank you very much.

Interviewee: My pleasure.

Interviewer: O.k. I'll just turn this off.

APPENDIX B: REFLECTIONS ON QUALITATIVE DATA ANALYSIS

In chapter five (5.5) I addressed the methodological issue of confirmability. Here, I build on that material, revisiting theory, method, and findings to provide insights into my treatment of the data.

Theory

My research began with a critical literature in which work participation could be studied as, or through, forms of domination. However, my pre-theoretical position on work participation did not fit with that literature. In the first instance, Marxian theory proposes a subjugation or domination of worker subjectivity. Hence, work participation can be theorised through concepts of control. While I agreed the control of worker subjectivity was a possibility, I did not accept there was no scope for individuals to consciously evaluate their orientations to work. In the second instance, Weberian theory proposes a descending order of rationality and therefore a narrowing framework for orientations to work. According to that theory, traditional, affective and absolute values (other than economic ethics) are screened out. Hence, work participation can be theorized as being ultimately oriented by instrumental and individuated non-social actions. While I believed instrumental rationality to be a dominant orientation of work participation, I did not accept it *fait accompli*. In sum, a study of work participation as, or through, forms of domination did not fit with my pre-theoretical position.

My departure from this critical literature comes from a belief, people are capable of rationalised actions that are broader than the merely instrumental, and that they are

conscious of, and capable of, evaluating their orientations to work. The difference, from my position, was that the materialism theorised by Marx was not viewed as the only orientation to work. Further, that the appropriation of status rights and the economic ethic theorised by Weber was not considered the only impetus that might sustain rationalism. This departure led me to search for a broader theoretical framework.

Ultimately, I adopted a cultural Marxist position. From that position the economic, political and ideological aspects of work, highlighted in the work of Marx and Weber, could be viewed as economic and political interests that interconnected with values or ideals.

Through my research, I wanted to learn how the economic and political aspects of work were articulated through interests, how those interests were sustained by values, and how through a combination of interests and values people could produce quite different rational configurations of their worlds of work. Furthermore, I wanted to explore how we use those worldviews as frames of reference in directing action.

In my view, to admit the possibility of different 'rational configurations of the world of work' is to point to variations in the temporal and spatial aspects of our rational consciousness. For instance, people might not be conscious of the significance of Capitalism. Yet, without a broader temporal knowledge of Capitalism, the spatial dimensions of worldviews on organisation and work are likely to be narrow. Hence, people might look at the world of work from the point of view of 'organisation' or from

the point of view 'work', but increasingly less so from the point of view of 'Capitalism'.

I interpreted Capitalism as a veil, a shrouded context, generally hidden from the everyday lived experience of people in organisation and work. I wanted to unveil Capitalism, whilst acknowledging the temporal and spatial dimensions of other individuals' rational configurations of the world of work. Hence, I wanted to highlight the boundaries of my cultural marxist rationality but fit it with the rationality of the people in the organizations. I wanted to explore people's rational interest in economic organisation, through the fit of economic and political theories of organization, and through the limits of that theoretical explanation. Yet, while conceding the dominance of an organisational worldview I by no means wanted to represent it as the only worldview. For that reason, I also wanted to give any competing worldviews on work, their appropriate place. Most of all, from my own interpretative lens, I wanted to represent people's views on organisation and work, as worlds within the world of Capitalism.

Coinciding with the above, I wanted to use my background knowledge on Capitalism as an interpretative lens: to demonstrate the breadth of social relations and orientations to work that existed but arguably were not represented in theories of organisation and work, to highlight the existence of social moral orientations to work, to show the possibility of willing and social work participation and hence to reveal the tendency to view work participation through narrow rational configurations of the world of work.

Method

Methodologically I chose an interpretative approach. As already mentioned I wanted to demonstrate the variability of different rational configurations of the world of work. I wanted to do this not only in terms of my adopted worldview, but also in terms of the worldviews of the people in organisation and work. And, I sought to demonstrate that by highlighting differences in the temporal and spatial dimensions of worldviews.

A comparative and longitudinal field research approach, unstructured interviews with an interview guide, and the collection of documents recommended by interviewees, were all crucial aspects of my interpretative approach. In the following, I provide a brief explanation of what I hoped to achieve.

I used comparative and longitudinal field research so as to encompass variations in the temporal and spatial dimensions of people's rational configurations of the world of work. For me, the field research was comparative in the sense that I sought to compare work participation in four cases of dominant forms of industrial organisation. Perhaps more importantly, the field research was longitudinal in the sense that I was open to the dimensions of time and space as imposed by the people in those forms of industrial organisation.

By using unstructured interviews with an interview guide I sought to flesh out the skeletal framework of my model on work participation. Based, as it was, on levels of rationality, i.e. institutional, organisational and work levels, the interviewees were able to bring to bare their own linkages between those levels, and hence their own rational configuration of the world of work.

Similarly, I built on the interview material by collecting documents recommended by interviewees. These were therefore interpretatively important to the interviewees. Although I began with library searches on published materials I found the material I was collecting did not make a lot of sense to the participants. However, I found by collecting recommended documents I was able to fit internal, external, unpublished and published documents with the perspectives of the people in the forms of industrial organisation.

I decided to stop interviewing and collecting documents when I believed I had attained a snapshot view of the dominant worldview and of the relationship of that dominant worldview to any competing worldview. I made this decision for each of the organizations. My main aim was to confirm or disconfirm the internal workings of the dominant worldviews, the boundaries of that dominant worldview, and its' interface with any competing worldviews. Moreover, I wanted to represent this snapshot from the point of view of the interviewees. I was satisfied that I was ready to stop when I could confirm those snapshots through commonalities in the interpretations given by the interviewees. In particular, I was satisfied when their interpretations built in a complementary manner from the perspective of their status group positions.

I could have continued interviewing and collecting documents but felt that doing so might *not* produce much more in terms of my focus (the internal workings of the dominant worldviews, the boundaries of that dominant worldview, and its interface with any competing worldviews). Hence, I believed I had reached a saturation of categories in grounded theory terms. While, there was a prevalent and competing industrial worldview relevant in varying degrees to all of my cases, I felt the time and

cost associated with undertaking more field research was unwarranted. Instead, I chose to earmark that work as possible future research.

Analysis of Data

I analysed the data in a number of ways. First, by exploring each of my cases for the internal workings of dominant worldviews. Second, by exploring the interface of the dominant worldviews with any competing worldview. Third, by comparing the boundaries of the dominant worldviews for their fit with my own worldview.

First, in each case I analysed the internal working of the dominant worldview, as represented from the point of view of the dominant status group/s. I explored economic rationalities in terms of rational economic interests in market, structure, and technology, and internal political and human behaviour processes that sustained the dominant worldview. I also explored political rationalities in terms of political interests that buffered or deadening the impact of competing worldviews. In included the unexpected significance of industrial relations in my analyses. I explored social rationalities to determine whether the values sustaining the dominant worldview were instrumental or social. In sum, I took those rational configurations to comprise the dominant and competing views of the worlds of work I was studying.

For instance, in SEQEB a rational economic interest in the market was at the forefront of management's agenda. As one CEO explained:

> "With the coming of the national electricity market it will be opened up to competition…So, companies can come in from interstate and overseas and offer electricity supplies, purchasing in bulk from the national market and selling it to customers. So there will be no guarantee that customers in South East Queensland will purchase electricity from the successor to the South East Queensland Electricity Corporation (Energex)".

In line with the need to meet this new market, the manager of human resources detailed how the structure of the organization was being modified:

> "the introduction of the competition reforms that are impacting on the electricity industry and are impacting on a lot of other industries…is requiring us to separate the monopoly parts of our business from the contestable bits and to make those contestable bits operate on a level playing field with other providers".

Furthermore, that technology referred to as human processing was believed to be bringing about required changes in behaviour:

> "if I was trying to judge, have those schemes actually had an impact on a whole? Well I would say, yeah enormously…You know we go out on quality reviews regularly. Which is just a sort of informal walkabout for a day… And it is absolutely amazing the different vocabulary, the different things people are talking about. The things that people think are important. The things that they… I mean we have now people demanding to see performance reports on their local work areas. Um they complain that the system doesn't provide them with the performance indicators that they need. They complain that overhead costs are too high from the corporate level. I mean who would talk about that stuff… no one cared about that stuff 2 years ago".

Notably, in SEQEB there was no successful buffering of the competing industrial worldview. Indeed, the findings demonstrated the opposite. The management of SEQEB was clearly unsuccessful in deadening the impact of a competing industrial worldview. As the manager of industrial relations and a union representative explained, the workers held opposing views on market contestability, the restructuring of the organisation, and on the fairness of human processing systems.

As the industrial relations manager put it:

> "Where employees in our industry have had for years seen themselves as a highly protected industry, ah a monopolistic type industry um …with all the goods, you know the positives and the negatives associated with being a government employee…Now saying to a monopolistic electricity authority back in 1983/4 that there are competitors is a bit of a joke. Because you had no competitors, apart from maybe gas and a little solar energy, and there were virtually no competitors at all…now they are intending to open the market up on 1st July…There is a sudden shift in people's attitudes…Well I think the shift has been made predominantly by management but workers I don't think have made the shift".

Further:

> "Now the attitude of the union was don't play games with us…if you go down the path that you are going… this is what the unions are saying… go down the path you are going bring those contractors in, we will disappear and then the whole quality of your work is going to deteriorate… and that argument has been boiling along without any resolution".

In regards to human processing, in particular performance review, the industrial relations manager noted the following:

> "you could say there is a philosophical ah division between ourselves and the union on that matter…purely on the basis that we believe that we should be able to reward people individually for their performance and the unions say no that we should reward them as a group without distinguishing between individuals".

While a trade union representative was unambiguously opposed - on the basis it would be better to reward the group than to fragment it:

> "I would rather see a performance review on a section ah or a group of people that do the same job or in the same classifications in the same area".

In terms of social rationality, the overriding direction of values in SEQEB was towards a more instrumental and individuated work ethic. For management this meant adopting a commercial ethic, and for blue-collar employees a transition from their current equity values to the same commercial ethic intended for managers. I present the following quotes demonstrate the conflict in values experienced by people, both management and employees, in that organisation.

> "By learning culture… I mean even situations where other people are trying to come to an understanding on a particular item where you judge the answer to be and then figure out whether it happened that way. I mean the decision to invest, to buy something or not buy something, or implement something or not implement something, is this a good investment. See how it pans out, or how successful were you in implementing a certain thing, why were you unsuccessful".

> "Public service mentality is equality, is doing nothing more than what you are getting paid for, is um if my job description or job profile doesn't say it is my job then it ain't my job. You know you are paid for doing what you have to do to get the job done. Appreciating that you know, public service mentality is that it is your job for life regardless of whether you perform or you don't and that being the case there will be some that don't perform, knowing that they don't have to, why should they"
>
> "If you can't come to work and do a fair day for a reasonable wage... are you going to come to work and do more because somebody says oh, I'll give you this or I'll give you that".

In sum, I followed this type of analysis across each of my cases of industrial organization. And, I took the economic, political and social rationalities of the dominant status group/s to represent the dominant 'rational configuration of the world of work' in each of those cases.

Second, I analysed the cases more closely for the interface between dominant and competing worldviews. I explored the economic and political interests, and the values of competing status groups, comparing them with those of the dominant status groups. In particular, I revisited the success or otherwise of political buffering looking additionally for political shoring by the dominant status groups, and for political reactions of the less dominate status groups. And, I examined the success or otherwise of the social rationality of the dominant status group, searching for any value misalignments in competing status groups. The significance of this analysis varied for each case.

In the case of SEQEB, managements' inability to politically buffer the competing worldview was obvious, as was their inability to politically shore their own worldview or to deal with the value misalignments of the blue-collar employees. The findings for the NSW Sugar Milling Co-operative were similar, at least to the extent that there was a dominant worldview (that of the cane-grower millers) and a competing worldview (that

of the blue-collar employees). Further, there were the same inabilities to politically buffer the competing worldview, politically shore their own worldview, and to deal with the value misalignments of the blue-collar employees.

By contrast, in both Eagle Boys Pizza and in the Budge Ellis staff Co-operative there was a successful buffering or deadening of the impact of the competing industrial worldview and a successful shoring of their own internal worldviews. Furthermore, in both of these latter cases there was no evidence of value misalignment.

The case findings demonstrate how political buffering and shoring operates in these two cases to strengthen the internal workings of their worldviews. For instance, when queried on the issues of industrial relations and trade union involvement the in house lawyer of Eagle Boys Pizza gave the following response:

> "We are actually making some changes in those areas. The responsibility for those issues was in the ambit of the human resources department. We are currently undergoing a restructure that is almost completed and it is no longer a human resources department. We are having a training department which will have a much more defined role in training franchisees. And the other matters that relate to industrial relations, certified agreements, will be outsourced by us to the professional consultants that we use in these areas".

Similarly, in Budge-Ellis Staff Co-operative the response of the accountant was:

> "Purely as a...to get on certain sites you have got to have a union ticket. You know when they have to go into a new building they have to go in and say well ah the boys in the factory are in the engineers... a member of... but that is only... it is not by choice... we don't have any unions representatives or anything like that".

The success of that political buffering was not, however, a simple matter of there being mutual interests between the relevant status groups, i.e. those of the franchiser and franchisees in Eagle Boys Pizza, or those of the professional staff or manufacturing workers in Budge-Ellis Staff Co-operative.

Rather the findings of these two cases demonstrated the success of political shoring. In other words there were successful internal processes that served to co-ordinate the interests of the status groups. The franchiser of Eagle Boys Pizza referred to that process as a middle management that works:

> "We have a franchise advisory council, which is... seven regions of the franchisees vote their members in. They meet on a quarterly basis in the regions and then they bring all their issues to a quarterly meeting held here in Brisbane. It is a middle management that works, middle management don't usually work. They have hidden agendas. These guys have got to look after the system and if we look after the system it will look after us. They get to hammer it out with the other ten or fifteen franchisees in their regions. They come up with a reasonable strategy, and bring it forward and we have a management that actually works".

While the managing director of Budge-Ellis Staff Co-operative explained their internal process as a managing group:

> "We have a managing group, which is a managing director, the secretary, which is Roger, and the operations manager. Now we run the company on a day-to-day basis, and make the major decisions - the three of us. So it is not left up to one of us to make a final decision. If there is a loggerhead, then I have the final say".
>
> "And it is a group thing, like umm you have discussions at floor level and you have a quarterly and an annual general meeting and you discuss it with employees. If they have anything they want to discuss they should bring it up there and then".

The finding of no real value misalignment in both of these cases was surprising given the instrumental and individuated values in Eagle Boys Pizza and the social values in Budge-Ellis staff Co-operative.

The following quotes are from the operations manager and from a franchisee of Eagle Boys Pizza. They demonstrate the mutuality of the value base in Eagle Boys Pizza.

> "If the franchisee is unprofitable because they haven't been able to change with the market then we don't get paid. So we derive all our income from our franchisees… so therefore if he can't afford to pay his gas bill, he can't afford to pay us and so ah, we share in the concern".
>
> "There is a degree of pain in it for the franchisee but there has also got to be a degree of acknowledgement that um the competitive nature has meant that there have been more demands placed on head office as well…"

Similarly, the quotes below demonstrate the mutuality of the value basis of the membership of the Budge-Ellis Staff Co-operative.

> "everybody is looked after there is no ah...like companies can just discard people, they can push them sideways and out the door... we don't have that problem here... you know everybody is secure... we all stick together to the end".

> "We will just close up if we get to that point. I mean rather than just putting things off, we will just shut the whole place down. That is the moral of the place, we don't... see if we can't function properly, they have all got their money in the business, we have got to give their money back".

While it may have been possible to simply attribute value alignment to the successful political buffering of any competing worldviews, and the successful political shoring of the dominant worldview, the findings demonstrated something additional.

Even though the values of SEQEB and Eagle Boys Pizza had been organisationally prescribed and the values of the NSW Sugar Milling Co-operative and Budge Ellis Staff Co-operative had been collectively invoked, the findings pointed to a more important social matter; that matter of whether the status groups viewed those values as exploiting or deploying their own internal values.

For instance, in SEQEB the commercialisation of ethics was organisationally prescribed and blue-collar employees felt their internal values were being exploited. In Eagle Boys Pizza, the sharing of pain in economic growth was a prescribed value, yet quite readily picked up and adhered to by franchisees buying into the marketing system. Whereas, in the NSW Sugar Milling Co-operative a value of 'sharing in economic benefits' was invoked by the members, and again blue-collar employees felt their internal values were being exploitation. And, in Budge-Ellis Staff Co-operative a value of 'member security' was invoked, with no claims of internal value conflict.

Hence, in SEQEB and the NSW Sugar Milling Co-operative, findings demonstrated a conflict of values and perceptions of exploitation on the part of blue-collar employees. While, in Eagle Boys Pizza and Budge Ellis Staff Co-operative the findings demonstrated no conflict of values and a deployment of internal values.

I took these findings on the political buffering of competing worldviews, the political shoring of dominant worldviews, and alignment and misalignment of values to demonstrate variations in the interfaces of the dominant and competing worldviews.

Third, I analysed each case for a fit with my own worldview. I examined the cases in terms of the order of the 'rational configurations of the world of work' looking for the existence of any descending order of rationality; i.e. an economic rationality, buffered by a political rationality, and sustained by an economic ethic or instrumental social rationality. I also examined each case looking for the existence of any ascending order of rationality; i.e. an economic rationality, buffered by a political rationality, but sustained by a broader social rationality. Based on the within case analyses I had already undertaken I found the 'rational configurations of the world of work' in both SEQEB and Eagle Boys Pizza fit a descending order of rationality, while those of the NSW Sugar Milling Co-operative fit an ascending order of rationality.

I took these findings to represent the boundaries of different 'rational configurations of the world of work'.

In sum, I represented the findings of the above three forms of analysis as interpretative stories. My aim was to unveil the rational configuration of the world of work, from my

adopted cultural marxist perspective. To do this, I represented capitalism as a cornerstone worldview, thus setting the interpretative context for the fit of the worldviews demonstrated in the organisations. Hence, in chapter six (6) I wove a cultural marxist perspective on capitalism. In chapters (7) through (10) I wrote stories that fit the worldviews of the participants. I drew on the case material relevant to the level of organisation and work to do this.

My analysis culminated in chapter eleven (11) with a return to the model of work participation. I drew together the threads of my analysis and proposed a model for the establishment of willing and social work participation. I elaborated the complexities of the concepts of capitalism that I drew on and I detailed the core concepts that emerged as a result of my analyses at the level of organisation and work. I concluded *work participation* exists within the context of *capitalism*, and *social relations* - whether formally free or free; that work participation is directly influenced by *rational configurations*, whether the *political action premises* of political buffering and shoring successfully neutralise competing worldviews, and whether the *moral dictums* or values of work are prescribed or invoked, and result in the exploitation or deployment of internal values. Hence I argued, within the context of *capitalism* and *social relations*, under the influence of a broader *rational configuration*, and with successful *political action premises* and a broader *moral dictum*, the *establishment of willing and social participation* is possible. Finally, I proposed that establishment requires the *modification of narrow rational configurations*, but that even that may not be enough to legitimate willing and social work participation. For without the development of *comprehensive co-operative legislation* that legitimates commonweal ideals and co-

operative forms, willing and social work participation will continue to exist only as a second option, and most certainly in the shadows of capitalism forms and unions.

A RESPONSE TO CORPORATE CULTURE AND THE DILEMMA OF VALUE ACTUALISATION:

The radical implications of historical materialism, eclectic affinity, and ethical social action

ABSTRACT

This article reflects upon the core argument of Willmott's (1993) paper, *Strength is Ignorance; Slavery is Freedom: Managing Culture in Modern Organizations*, responding critically but progressively to its' central thesis. Willmott was concerned to stimulate debate about the moral dimension of corporate culture, and the lack of collective morality and radicalism in modern society. To this end, his paper achieves a critical analysis of the dark side of corporate culture, but fails in the equally important task of building a progressive strategy of critique. The article targets Willmott's acceptance of the dichotomous framework of rationalised actions, as ushered in by corporate culture gurus, and also his fettered critical stance. To challenge Willmott's strategy of critique, Habermas's (1979) socio-cultural or anthropological approach is reviewed, so as to point to a critical perspective that acknowledges 'conscious and collective moral action'. In contrast to the materialism characteristic of orthodox labour process approaches and the negative psychodynamic emphases of critical management studies, the article follows West's (1991,1995) critical progressive stance on society and culture, and Habermas's (1984 & 1987) recommendation that culture can and should be constructed so as to foster a broader collective morality. The theoretical tenet of this argument is illustrated by comparing Marx's (1954, 1976) 'historical materialism', Webers (1923, 1947) 'eclectic affinity', and Habermas's (1984, 1987) broader framework of 'ethical social action'. Finally, the article considers comparable theoretical notions of rationality and self-conception, as they aspire to account for ethical orientations in culture.

A RESPONSE TO CORPORATE CULTURE AND THE DILEMMA OF VALUE ACTUALISATION:

The radical implications of historical materialism, eclectic affinity, and ethical social action

INTRODUCTION

Hugh Willmott's paper, 'Strength is Ignorance, Slavery is Freedom: Managing Culture in Modern Organizations' (1993) seeks to stimulate debate about the moral character of corporate culture. The paper follows two avenues of critique. First, it questions the acritical acceptance of corporate culture from the standpoint it systemically erodes competing values. Second, it emphasises the lack of collective morality and radicalism in modern society (Willmott, 1993:518). Considerable ground has been covered by those critical writers who have examined corporate culture and its' psychodynamic effects (e.g. Alvesson, 1985 & 1990; Hochschild, 1983; Kunda, 1991; Rose, 1988 & 1990; Rosen, 1985, Schwartz, 1987). There is a general acceptance of Weber's (1923, 1947) framework of rational actions, and the dichotomy of instrumental and value rationalised actions. In keeping with this framework, these critical writers have emphasised the instrumentalising and psychodynamic effects of corporate culture. Less attention, however, has been given to what might constitute collective morality, and how a critical socio-cultural development might be achieved (some exceptions are Giddens, 1990, and Alvesson & Willmott, 1992, Willmott, 1993).

Willmott's paper contributes the novel thesis "the development of corporate culturism be interpreted as a collective failure of moral nerve in the face of modernity's discontents" (Willmott, 1993). In this way, Willmott's thesis points to an area of theoretical work that remains unaddressed. The aim of this article is to respond critically but progressively to the issue of collective morality. This article is critical of narrowly constructed understandings of culture; agrees in spirit with Willmott's general line of argument and with the findings of critical management writers. However, it takes task with the dichotomous framework of rationalised actions, as ushered in by corporate culture gurus, and naively adopted by organization and work analysts. According to this framework, the soft side or the irrational domain of organisational life, is a cluster area for all 'counter rational' actions; i.e. affective, ideal, and

or symbolic oriented actions. In this writers view, this framework reflects a narrow range of possible actions and consequently limits the scope for collective moral action.

This article points to a broader rational calculus of actions. The central thesis is, 'culture' can and should be constructed so as to acknowledge collective and moral concerns. This position is based on the socio-cultural or anthropological acknowledgement of "the moralisation of motives for action" (Habermas, 1979:136). It needs to be stated early that acknowledging the human capacity for moral reflection doesn't discount the theory and findings of critical writings on culture. Rather, the article builds on those critical findings, by offering a broader rational calculus of actions. This broader framework of rationalised actions challenges assumptions about the monolithic trajectory of instrumental or purpose rational action. It provides the means for challenging narrowly prescribed corporate cultures and what Willmott, (1993:518) refers to as, "the continuing, downward spiral of the Enlightenment project".

A general stance of 'fecund' or progressive criticism is adopted. Accordingly, the task is to understand the historic emergence, social function and cultural roles that values or principles play in culture, community and society (West, 1991, 1995). The belief is it is possible to put forward realizable alternatives and to outline "a new possibility for consensus and community" (West, 1991:3). In this writers view a stance of progressive criticism can be used to seek alternatives to corporate culture phenomena like, strategic excellence (Peters & Waterman, 1982), Human Resource Management, and Total Quality Management. From a critical progressive point of view such phenomena can produce negative psychodynamic effects, which can and should be made less burdensome on the employee.

The early sections of the article focus on Willmott's (1993) paper. First, his central thesis is examined with particular reference to the fettered nature of his critical strategy. An examination follows, based on Willmott's (1993) account of corporate culture, and on his application of Marxian theory. Following this, the challenge for 'critical writers on culture' is explored, with special reference to the

problem of conscious and collective morality. The purpose of these earlier sections is to acknowledge the contribution of the work of Willmott (1993), and other critical management writers, but to pave the way for a progressive critical approach. In the subsequent section, Habermas's (1979) anthropological theory of socio-cultural development is reviewed. This theory is compared with narrow perspectives on culture (e.g. Killman, et.al, 1985; Martin, 1985) and other 'pure' anthropological approaches (e.g. Helmers, 1991; Smircich, 1983). The aim is to point to an anthropological approach, which acknowledges a broader framework of rationalised actions and therefore broader value rational bases for culture in modern organizations and society. Finally, Habermas's later work (1984, & 1987) is drawn upon to highlight the dilemma of value actualisation and the development of divergent paths in the process of modernisation. One path is the path of ethical neutralisation highlighted by Willmott (1993). Like Willmott, writers in the genre of critical management studies have made a substantial contribution to our understanding of the psychodynamic effects of narrow corporate cultures. The other path is the progressive one, the path to moral emancipation. This path has been largely ignored, yet it reflects a significant theoretical step open for critical writers. The aim of this latter section is to demonstrate how Habermas's (1984 & 1987), framework of rationality can be used to study a broader range of cultures in organization, in support of the goal of a radicalised modernity. Finally, the article turns to a discussion of comparable theoretical notions of rationality and self-conception, as they aspire to account for ethical orientations in culture.

'A FETTERED CRITIQUE'

There is little point, taking task with Willmott's (1993) general line of argument. The claim that corporate culture seeks to control the affective domain, is neither contradictory nor irrelevant to a critical and progressive approach. Willmott's paper demonstrates how corporate culture gives the illusion of consent, while simultaneously imposing insidious effects.

In the first instance, Willmott demonstrates how corporate culture gives the illusion of consent, while shielding conflict and control at work. As Willmott puts it:

"The scope for establishing such programmes does not arise from any basic consensus developed through open debate about the merits of competing sets of values. Rather, the indeterminacy of human existence combined with the contradictory structuring of mutual dependencies within the capital-labour relationship (Cressey and McInnes, 1980) are the principle conditions of possibility for the development of corporate culturalism" (Willmott, 1993: 529).

In the second instance, Willmott emphasises the negative and insidious effects corporate culture can have on employee commitment. In particular, Willmott's closing discussion guides the reader through an analysis of those effects. As he explains it: "Key points of similarity and difference between the worlds of Oceania and corporate culture are now explored and illustrated through consideration of processes of seduction, resistance and entrapment" (Willmott, 1993:518). His purpose is to guide the reader through a discussion of the psychodynamics effects of corporate culturism.

Irrespective of these contributions, there is much to be lost in not questioning his overall strategy of critique. Willmott unquestioningly accepts the framework of rational actions put forward by corporate culture gurus. This leaves the orthodoxy and legitimacy of their narrowed framework intact. In addition, rather than providing an internal critique of the limitations of their adopted framework, he draws on a Marxian position that is merely defensive. The framework of rational actions will be addressed in due course. For now, the fettered nature of Willmott's critique can be clarified by returning to his comparison of 'corporate culture' and the 'critical Marxian perspective'.

CORPORATE CULTURE AND THE CRITICAL MARXIAN PERSPECTIVE

According to Willmott (1993:525), corporate culture shares with other management theories an implicit understanding the distinctive quality of 'labour power' resides in the human capacity for self-determination. Willmott (1993:526) argues corporate culturism recognises this and "yoke(s), in totalitarian fashion, the power of self-determination exclusively to the realisation of corporate values". This, he insists, is achieved in mutually reinforcing ways. First, the distinctive skills and contribution of each individual is contrasted with the denial of discretion and stifling of individuality associated

with rational bureaucracy. Second by establishing a few core values, the bewilderment, anxiety, etc., that employees experience in coping with freedom and autonomy, becomes minimized. However, while Willmott contrasts 'corporate culture' and 'critical culture' points of view, he fails to acknowledge the transhistorical nature, or openness, of 'the social relations' of managers and employees.

Willmott (1993:528-531), of course, is interpreting the establishment of corporate culture programmes from a critical Marxian perspective. He draws on Marx's (1976) notion of a false ideology of free self-determination, and Cressey & McInnes's (1980) account of mutual dependencies in the capital labour relationship. He asserts,

"From this perspective, the project of corporate culturism is interpreted as a strategy for managing the sense making of employees in a way that moderates the 'dysfunctional', individualising, segmenting effects of capitalist market relations" (Willmott, 1993:530).

By contrast, both Marx (1954) and Cressey & McInnes (1980) detail the transhistorical nature of 'social relations' and they both postulate the possibility of a new social order. In the first instance Marx's (1954) work is premised on an abstraction of the conflicting social forces caused by materialism (Sayer, 1987). Marx (1954) is specifically concerned with the historical development of modes of production. He depicts they (modes of production) have two sides, the material and the social. The material side entails a labour process with elementary factors, which he believes is common to all modes of production[1]. Conversely, the social side he characterises by historically specific social relations. Slavery, patriarchy, serfdom, and capitalist relations are examples of what Marx would refer to as social relations. It is this social side, which for Marx, reflects the conditions of political economy as modes of production change. As Sayer (1983) argues, Marx intended to highlight

[1] Marx (1954:173-180) pre-supposes labour in a form that stamps it as exclusively human. The human elements of the labour process are: the personal activity of man in his work; the subject of that work, and; its instruments. Marx argues, the labour process resolved into these simple elementary factors is human action with a view to the production of use-values; where the labour process is the necessary condition for effecting the exchange of matter between man and nature; an it is the everlasting nature-imposed condition of human existence, or rather, is common to every such phase.

the material aspect of human productive activity as it persists across historical time and modes of production. On this basis, the material aspect of production persists across time, while the social side or the conditions of political economy are open to change.

In the second instance, Cressey & McInnes (1980:22) are concerned with the aim of developing "prefigurative forms within capitalism that point beyond it rather than patch it up". They revisit Marx's (1976) categories of formal and real subordination to highlight how the forces of production or revolutionary consciousness are the motor of history and change[2]. Implicit in both Marx (1954 & 1976) and Cressey & McInnes's (1980) work is a call for the material conditions of a new social and economic order. As Cressey & McInnes succinctly argue:

"The dual nature of labour within capitalism implies the dual character of control itself. From one aspect the phrase 'control of labour' implies capital's ability to enforce valorisation and the production of commodities, from another it implies the control labour has of the production process bequeathed by capital's continued reliance on its cooperation in order to get the work performed at all. It implies a rather different analysis of the relationship between class struggle and the production process: job and authority relations can be seen as having their roots in the production process itself. In turn the precise form of that process is a joint creation, the outcome of class struggle rather than the logic of capitalist development, and as such capable both of further development within a capitalist social relations of production, and subversion of it, not only ideologically, but materially too." (Cressey & McInnes, 1980:22).

[2] Cressey & McInnes (1983:12) offer a more astute account of formal and real subordination than that presented in the control - resistance perspectives of contemporary labour pocess theorists. They argue, "In the formal subordination of labour, the forces of production as such are taken as pre-capitalist: the dominance of capital does not exist at the level of the workplace it is simply 'formally' there) but elsewhere: we therefore have literally no material connection between the forces and relations of production specified at all, except at the level of market forces. By contrast, with real subordination, the forces of production become the relations of production: they are collapsed into each other, so that depending on one's starting point, the forces of production or revolutionary consciousness become the motor of history."

It is important to note that Willmott (1993) is comparing the framework of rational actions that has been adopted by corporate culture gurus, with the Marxian framework of historical materialism. To this end, he achieves a critical cultural comparison, which highlights the dark side of corporate culture. This critique is, nonetheless, fettered by a narrowed explication of the transhistorical intentions of both Marx (1954, 1976) and Cressey & McInnes (1980).

CHALLENGES FOR CRITICAL WRITERS ON CULTURE

Before exploring the progressive approach put forward in this article, it is appropriate to discuss in a very general way the challenges for critical writers on culture. Willmott's (1993) paper can be used to demonstrate at least two central tasks. The first concerns dismantling the illusion of morally benign cultures in modern organization; the second concerns what might be an appropriate theoretical strategy for conducting a critique of corporate culture. The discussion below, aims to outline the achievements of critical writers on culture, but to point to theoretical limitations that render an analysis of 'conscious and collective moral action' in organizations problematic.

Willmott's (1993) paper achieves the first challenge, that of shattering the 'illusion of the morally benign basis' of Capitalist organization. Willmott highlights what must be considered, a significant moral basis for objection. Whereas, the advocates of corporate culture would have us view the construction of values in a prescriptive and neutral way, Willmotts' paper reminds us corporate culture has been constructed from a unilateral and very narrow frame of reference. His paper illustrates how corporate culture plays a masked ideological role in the construction of employee values. It demonstrates how corporate culturism is intended to give the illusion of autonomy and freedom, yet how it succeeds in aligning individuated actions with the instrumental goals of organization. For Willmot, those benign ideals of autonomy and freedom are nothing more than another means of managerial control. This time, however, it is the content and power of employee values, which is controlled and manipulated. As Willmott explains it: "Through masquerading as a 'therapy of

freedom' that expands the practical autonomy of employees, corporate culturism identifies culture as a powerful under utilized media of domination" (Willmott, 1993:525).

As for the second major challenge, Willmott's (1993) paper constructs a critique of culture, which falls short of the goal of promoting collective morality. Willmott draws on the classical Marxian or labour process theory approach without working through the theoretical limitations, which negate the very possibility of conscious and collective morality. Those limitations were not explicitly or adequately addressed in his paper.

For instance, it is now well recognised that the development of orthodox labour process theory has been shaped by Braverman's (1974) critical strategy of separating the objective content of class from the consciousness and actions of the worker.[3] Most critical writers would agree Braverman's methodological strategy has worked well in emphasising managerial control. It provides a defence against optimistic views of rational organization and management control. In addition, there have been developments in the orthodox labour process theory that have built on this approach in important ways. Friedman (1977) and Edwards, R. (1979, 1990), devised more complex typologies of managerial control, while Edwards, P.K. (1986) broadened accounts of managerial control to include worker resistance and class relations. Nonetheless, Bravermans' (1974) methodological strategy and the control resistance model of action in general, both obviate any acknowledgement of consciousness of collective morality.

CRITICAL STRATEGIES

The question, which should be asked and which Willmott (1993) fails to address, is whether a classical Marxian approach is appropriate for undertaking a critical analysis of corporate culture. The article now focuses on the genre of different critical strategies, with particular reference to the analysis of corporate culture and the problem of analysing conscious and collective moral action. The article,

[3] According to Willmott (1993a), Braverman's (1974) aim in adopting this methodological strategy was to counteract bourgeois studies, which accepted the face value of workers' responses to surveys and interviews, without recourse to the material conditions of production.

reviews the orthodox labour process approach, with reference to the ontological limitations of the Marxian approach, comments on critical management study approaches and their adoption of a narrowed frame of rationalised actions. Finally, the article turns in the following sections to a synthesis that builds on, but moves beyond, classical Marxian theory. In this writers view that synthesis provides an appropriate strategy for a critical analysis of corporate culture and of conscious and collective moral action.

Of the many strands of labour process theory that have developed since Braverman's (1974) seminal writing, there is not one which posits managers and workers are capable of moralising their individual or collective motives for action. One obvious possibility might be to attempt to reconstitute the missing subjectivity of the worker[4], from a moral point of view. This option is at first seductive in its' simplicity. Yet, this strategy would be as much a problem as that of 'missing subject' of the worker. It requires a methodological assumption absent in both classical Marxian theory and orthodox labour process theory.

The Marxian framework builds from the theory of labour value[5], where the emphasis is on the material forces of socially organised production. This materialism is essentially prior to all other ideals or values. Indeed, it is the basis of the famous Marxian notion that capitalists and labourers engage in formally free but ideologically blind social relations. Any Marxian reconstitution of the missing subject therefore maintains the materialist overtones of classical Marxism and the supposition of unconscious or ideological forms of control. For this reason, the classical Marxian framework obviates the possibility of conscious moral action, whether that be, individual or collective.

Burawoy's (1985) book 'Manufacturing Consent' can be used to illustrate how the missing subject of the worker tends to be materially reconstituted, so as to maintain the notion of false ideology and unconsciousness. It should be noted his work is considered one of the first, and most, far reaching

[4] A subjectivity that Thompson (1990) argues has been absent from orthodox labor process theory.
[5] Marx, K. (1954). Ibid.

reconstructions of worker subjectivity.[6] Burawoy demonstrates how workers seek to alleviate the mind numbing effects of their employment by participating in a game of 'making out'. In this game workers pit themselves against the machines so as to increase production. The argument is; workers need to satisfy the human need for self-expression and do this by engaging in the challenge of the game. However, in doing so, it is believed, they simultaneously participate and strategise in their own exploitation. Burawoy's work indicates a subjectivity whereby there is a degree of consciousness on the part of workers but one, which is still framed by a false ideology, and based on the acquiescence managerial control[7]. In this way, Burawoy's reconstitution of the missing subject maintains the Marxian notion of false ideology (1954, 1976) and highlights material action orientations.

Critical management studies, which unquestioningly accept the framework put forward by corporate culture gurus, can be criticised on a similar basis. There is an acknowledgement of conscious rational action, but only in so far as actions are ranked in the descending order imposed by Weber's (1947) notion of instrumentalism. There remains, however, the crucial point that Weber's (1947) framework super-elevates purpose rationality by postulating a descending order of rationality. Consequently, there is an ultimate, screening out of value, affective, and traditional rationalities, and therefore while actions are conscious there is no theoretical avenue for managers or workers to moralise their motives for action.

As a critical strategy, adopting the weberian framework of rational actions facilitates an analysis of the insidious effects of corporate culture; in other words, the various insidious effects on the affective, symbolic and ideal domains of employees which are not always easily observable. To give a range of examples, it has been argued: employee instrumentalism is associated with cynicism about the genuineness of corporate values; calculative compliance is often substituted for the prescribed commitment to corporate values; and subjective distancing or detachment can occur, because it allows

[6] Willmott, (1993a: p.693).
[7] Sturdy (1992) builds on the work of Burawoy (1979), to argue that the constitution of the subjectivity of the worker occurs through the pursuit of existential security. Workers practices of consent are accounted for as identity/security seeking strategies (Sturdy, 1992:118).

individuals to disengage themselves from the roles they play at work[8]. The general accomplishment of critical management writers (such as Hochschild, 1983; Rosen, 1985; Schwartz, 1987; Rose, 1988 & 1990; Kunda, 1991) has been to demonstrate the negative alienating effects of corporate cultures.

Willmott's (1993) paper does not take on the equally important task of questioning what might be an appropriate strategy of critique for corporate culture. Largely, because of the failure to address culture from, the point of view of the missing moralisation of motives for action. The critical strategy, put forward in this paper, will no doubt seem counterintuitive to writers in the genre of labour process and critical management studies. Nonetheless, it is this writers' view, it is an appropriate strategy for addressing the problem of developing a critique of corporate culture and indeed critical cultures in modern organization.

CULTURE AND THE MISSING 'MORALISATION OF MOTIVES FOR ACTION'

The critical progressive approach, put forward in this article, draws on Habermas's (1979) early work *The Communication and Evolution of Society*. This work demonstrates the socio-cultural or anthropological side of productive organization. It has in common with critical management approaches a concern for the psychodynamic effects of organised labour. However, whereas critical management approaches are concerned with the negative aspects of corporate culture phenomena and might propose a defensive or even revolutionary response, the socio-cultural perspective understands the problem to be a matter of moral practical consciousness. The central issue as Habermas views it, is:

"The progress of productive forces has led to a highly differentiated division of labour processes and to a differentiation of the organization of labour within industries. But the cognitive potential that has gone into this "socialisation of production" has no structural similarity to the moral-practical consciousness that can support social movements pressing for a revolutionising of bourgeois society. Thus the advance of industry does not, as the communist Manifesto claims "replace the isolation of the

[8] These examples have been drawn from Willmott's (1993: pp. 535-542) discussion of limits and insidious psychodynamic affects of corporate culture.

labourers by their revolutionary combination", rather it replaces an old organization of labour with a new one" (Habermas, 1979: 146).

Central to Habermas's point of view is the assumption that the humanitarian potential of organization is yet to be released. Moreover that the introduction of a moral collective form of organization would require a form of social integration that is based on collective moral consciousness rather than on collective revolution. According to this view people learn not only in the dimension of technically or rationally useful knowledge but also in the dimension of cultural or moral practical knowledge. Furthermore, each historical or evolutionary stage of production entails a normatively or culturally determined principle of social integration, which serves as the structural basis of interaction and norms. And, finally, the future direction and combining of these external and internal rationalised bases of knowledge must be seen as open. As Habermas (1979:146) sees it, "It requires not an expansion of our control over external nature, but knowledge that can be embodied in structures of interaction – in a word, an extension of the autonomy of society in relation to our own, internal nature".

From this perspective the polarisation of academic responses to corporate culture is, as Willmott (1993:520) suggests misguided. A solution is therefore suggested. On the one hand, there is a tendency to view corporations as commercial entities with only instrumental or purpose rational goals. This has the effect of obscuring the application and significance of economic ethics, when economic ethics 'themselves' should be attributed the appropriate status of values that sustain instrumentalism. On the other hand, the tendency to view culture as a root metaphor for making sense of constructed organisational life might have much to offer, if it were extended to studies of socially oriented organization. The error is in polarising instrumentalism as if it entailed no values and root metaphors as if they entailed no purpose. This is comparable to the tendency to polarise economic groups and social organizations. The point is, the former and the latter can and should be characterised by both economic structure and intrinsic morality[9]. The solution then, is that organizations be regarded as,

[9] Habermas, J. (1987:116)

collectives of people combining instrumental and value rationalised actions. These organizations can reflect narrow or broad bases of value rationalism.

The strength of Habermas's (1979) anthropological approach lies first and foremost in its' recognition of variations or differentiations in cultural development. His early work provides a broader framework for analysing organization culture than that suggested by either corporate culture gurus (e.g. Peters and Waterman, 1982) or pure anthropological approaches (e.g. Barley, et. al. 1988). This comparative lens on culture is also strongly emphasised in *The Theory of Communicative Action: Reason and the Rationalisation of Society* (Habermas, 1984) and, *The Theory of Communicative Action: The Critique of Functionalist Reason* (Habermas, 1987). This socio-cultural approach doesn't suggest utilitarian versus socially oriented organization cultures have developed in any equal way, but that there do exist broader cultural bases of organization. The implication is the variability of these cultures can and should be studied, exemplified, and reproduced.

VALUE ACTUALISATION AND THE DEVELOPMENT OF DIVERGENT ETHICAL PATHS

It is at this point that the article compares Willmott's approach, and critical approaches generally, with the progressive critical approach put forward.

Willmott (1993:535-540) clearly maps instrumental responses and symptoms of resistance, i.e. instead of a deep identification with corporate values he points out there can be a selective calculative compliance and or a strong sense of cynicism on the part of employees. To critically highlight the dark side of corporate culture, as Willmott does, is to label the affective, symbolic and ideal means by which

managerial control can be extended. Yet to progressively critique corporate culture as Habermas (1979, 1984, 1987) does is to explicate the means by which broader values can be actualised and developed for the liberation of collective morals.

Willmott's (1993) critical approach also seeks to shatter the illusion of the benign morality of Capitalist organization for the purpose of stimulating debate about the moral dimension of corporate control. Habermas's (1979, 1984, 1987) socio-cultural perspective seeks to understand the social function, and role of organization in determining different cultural developments. Both approaches assume the importance of a critical perspective on culture. Yet, the latter is open to the crucial issue of value actualisation in the direction and development of a radicalised modernity. In sharp contrast to Willmott's critical perspective, the socio-cultural perspective emphasises the potential of conscious and collective morality.

Needless to say, critical theorists draw on different frameworks of rationalised actions. We could for instance, examine contemporary critical approaches on the basis of the superelevation of one the following theoretical axes: the economic, political or social axes of organization, even though these axes are all interrelated. The result we will see is different strands in a lineage of critical social thinking. This development in critical social theory is not often acknowledged.

The critical Marxian perspective highlights the economic axiom of expropriation, namely the alienation of the conditions of labour from the labourer (Marx, 1976: 1019-1038). The emphasis is on the transhistorical and material actions oriented towards the production of surplus value. The critical Weberian perspective builds on materialism to highlight the political axiom of appropriation, namely the transferability or appropriation of rights to economic advantage, which can occur through status positions (Weber, 1947: 275-279). The emphasis is on the historically contingent ideals, which release and sustain the material or profit motive, e.g. active asceticism (originally in Weber's 1978 work), and more recently managerialism or careerism. The critical Habermasian perspective builds on materialism and idealism to highlight variations in the social axioms or values/principles of social

integration (Habermas, 1987: 153-198). The emphasis is on the ethically neutralised principle of wage and labour, which has come to integrate action in modern organization; but also on the broader principles of social integration and action, albeit only possible through communicative action or open discourse.

All critical theorists acknowledge the importance of the critical Marxian perspective on materialism. This is simply a general recognition of the contribution of Marx's (1954, 1976) critical perspective and an acceptance that managers and employees are oriented by material needs. This material perspective is reflected in the work of labour process theorists and can be demonstrated in the writings of Braverman (1974), Cressey & McInnes (1980), and Burawory (1985), to name a few. However, not all critical theorists are happy to accept that materialism is essentially prior to all other action orientations. In critical management studies, there is now considerable emphasis placed on the Weberian notions of idealism and individual status. The ideals of autonomy, freedom and liberalism are all notions, which are believed to affect the self-conceptions of employees, and they are now considered prominent orientations for managerial and employee action. In contemporary terms, materialism is therefore no longer considered sufficient to explain the multifarious ways in which action is oriented. The significance of the eclectic or transitory nature of ideals and the role they play in ensuring appropriate organizational actions is strikingly evident in Willmott's (1993). For an emancipist and critical theorist like Habermas (1984 & 1987), material or ideal action orientations must be incorporated into a framework of rationality that is variable. To give an example, materialism and idealism are believed to produce system crises; i.e. conflicts in economic and political interests. This in turn requires a conscious evaluation, of the instrumental or purpose rational actions required to meet those interests, and of the values intended to sustain those interests. The principles or social values can be narrowly or broadly defined. Although materialism and idealism are driving forces they can be sustained by narrow or broad values. In this way, manager or worker, actions are oriented by narrow or broad value bases.

A critical attachment to the Marxian framework can be justified, if one is examining no more than the material aspects of production. However, to carry over a Marxian critique without relating it internally to the Weberian critical perspective is to: legitimate the way in which corporate culture gurus narrowly adopt the Weberian framework of rational actions; and to hide the fact that while Weber (1923, 1947) postulates a master trend of instrumental rationalism, he also posits the historical, eclectic or contingent linking of different types of rationality. Habermas's socio-cultural perspective builds on the material and ideal aspects of Marxian and Weberian theory with the explicit aim of postulating; values can be actualised so as to produce cultural variations in organization. These cultural variations are considered the means for liberating collective morality and enhancing the path of radicalism in modern society.

More generally, critical writers seem to miss the point; if the actualisation of values is indeterminate the same can be said of worker freedom and autonomy, and indeed the path of modernisation. While resistances to cultural rationalisation can develop so too can progressive countercultures. The latter need to be exemplified and given the attention narrowly prescribed corporate cultures has received. This can be achieved by drawing on Habermas's (1979, 1984, 1987) broader framework of rationalised actions. In this way, there could be a theoretical acknowledgement of those values abstracted, generalised and internalised such that action orientation, produce different paths in modern society. Broadly speaking these paths follow, either the ethical neutralisation characteristic of corporate culture or the moral emancipation characteristic of socially oriented organization.

DISCUSSION

This article has adopted the approach of fecund or progressive criticism and focused on the thesis 'culture can and should be constructed, so as to foster broader social and moral concerns'. Habermas's (1979, 1984 & 1987) socio-cultural or anthropological approach suggests the distinction between rational and irrational or material and symbolic actions, as ushered in by corporate culture gurus, is a simplification leading to the legitimation of a narrowed framework of rationalised actions. Further, that a naïve acceptance of that dichotomy, by critical management writers, is problematic. On this basis the article suggests, rationalism needs to be viewed as the potential for a wide range of

rationalised actions, and not as a preordained trajectory of instrumental action. Since the socio-cultural approach assumes people are capable of conscious and moral action, people are ipso facto capable of aspiring to a moral conception of self at work, and also to notions of social emancipation. This section compares Habermas's (1979, 1984 & 1987) socio-cultural view with the more structuralist approach of Foucault (1988). The purpose of this section is to examine comparable theoretical notions of rationality and self-conception, in a way that highlights their different implications for the Enlightenment Project (Horkheimer and Adorno, 1972).

Rationalised Choices

There are a number of reasons why Habermas's notions of rationality and self-conception can be drawn into a general stance of fecund or progressive criticism that supports the Enlightenment Project. Like West (1991, 1995), Habermas believes people adopt a broad rational calculus of means and ends and they make rationalised choices. There is no necessary link between instrumental or purpose rational action and narrowed values. Instead the postulate is people make rationalised choices about values. As West (1991) describes it, people make judgments, in light of moral principles, they employ criteria to sustain those principles, and they give reasons to justify their criteria, principles, and judgments. This type of broader rational calculus is evident in Habermas's (1984:237) typology of action. He posits rational actions may be socially co-ordinated, in starkly different ways: First, on the basis of interest positions, which implies the possibility of action oriented by a clear consciousness of strategic interest; second, on the basis of agreement, which implies action oriented by a clear consciousness of moral judgment. In this way, he conceives of two general but very different ways of co-ordinating social action. The former represent individuated and therefore numerous non-social actions, the latter reflect combined social actions. From a progressive critical point of view this broader rational calculus highlights the choices, i.e. instrumental or social, which people can and do make about the value bases of organization.

Beyond this, there is the belief that rationality can be recast and rethought. Habermas (1987:116) points out that analyses of organization are typified by an overarching acceptance of the division of

labour from which there is seen to arise a functional specification of organization and work, the concomitant roles of management and labour, and a contrast of conflicting interests[10]. Habermas rejects the conflict perspective for a framework which views the division of labour and the conflict of interests as stemming from incompatible and completing value orientations, which are nonetheless open to social co-ordination. For this co-ordination to be successful, it is argued, there needs to be a discursive working up of values and norms. Only in this way could there be a true integration of the external interests and internal values of management and labour. As Habermas (1987:116) views it: "There is nothing less constant than interests". And, of course, for Habermas this value integration is the linchpin of organization as well as the determining influence of the choice between divergent paths of modernisation. As Habermas (1990) views it, culture and society are a reflection of our own internal nature and we are ultimately capable of deciding our future.

Technologies of the Self

Foucault's[11] work complements the critical progressive approaches of West (1991, 1995) and Habermas (1979, 1984, 1987) but is not wholly compatible with it. While Foucault was concerned with rationality and self-conception he studied these phenomena historically, rather than futuristically, and also from the point of view of domination and the negation of the Enlightenment Project. Moreover, as he considered himself to be working in the "field of the historical reflection of our selves"[12], he studied different rational knowledge bases (e.g. biology, psychiatry, medicine, economics) as they related to the specific techniques human beings used to understand themselves. According to Foucault (1982) four associated knowledge technologies function together; they are production, sign systems, power, and self. To give example, it is argued, technologies of production permit us to produce, transform and manipulate things, whereas technologies of the self permit individuals to effect their own bodies, souls, thoughts, and conduct.

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[10] This division of labour is most evident in the academic divide between; organization and management theories following Taylor, (1911); Fayol, (1919); March and Simon (1958)[10] and; labour process theories following Braverman, (1974), Friedman, (1977), Edwards, R.1979; Edwards P.K. (1986).

[11] The reference is to Technologies of Self (1982), although Foucault has written many other books, e.g. Madness and Civilization (1965); The Order of Things (1966); The Birth of the Clinic (1973); Discipline and Punish (1975).

[12] Cited in Martin, Gutman and Hutton (1988:4).

Although, Foucault's work doesn't fulfil the emancipator criteria of the critical progressive approach, it can be claimed technologies of the self (1982) explains the role and function knowledge has come to play in renouncing individual and collective morality. As Foucault (1982:18) puts it: "Technologies of self, permit individuals to effect by their own means or with the help of others a certain number of operations on their own bodies and souls, thoughts, conduct, and way of being, so as to transform themselves in order to attain a certain state of happiness, purity, wisdom, perfection, or immortality" (Foucault, 1982:18). In this way, he argues, technologies of the self provide the rational means by which people willingly discipline themselves.

Foucault's (1982) interest was in the profound transformation in moral principles of western society. He saw, in the transition from traditional Christian to modern scientific thinking, an obscuring of self-morality. With Christian morality, asceticism and a renunciation of self-will is the means of purifying the soul and the avenue of salvation. With the modern sciences there is an inversion of this process, such that knowing oneself through rational knowledge takes on more importance, and becomes the means for constituting one self, and for obscuring concerns for morality. For Foucault (1982:17) this reflects a distinctive break in the "ways in our culture that humans develop knowledge about themselves", in other words this distinctive break highlights the downward spiral of the Enlightenment project.

The Return to Ascetics

By and large, the moral objection to corporate culture stems from the ethical implications of controlling and channelling the development of human values. To amplify this ethical debate and the implications for the enlightenment project we can revisit developments since Marx (1954, 1976). Marx is a writer whose materialist emphasis is well recognised (Sayer, 1983, Ollman, 1986). Human beings are, considered to be, materially driven. Weber (19823, 1947) builds on the work of Marx to postulate a technological reason of purpose rational action, that subordinates traditional, affective, and value rational actions. From this point the enlightenment project appears lost. In other words the cost of rationalism has been ascetically high. Yet, for many of us autonomy and freedom remain reachable

goals. This is the theoretical tenet that this article puts forward in the framework proposed by Habermas (1979, 1984, 1987).

This article doesn't critique Willmott's (1993) general stance on corporate culture. Corporate culture does, as he argues, suppress emancipator goals. Yet, his critical strategy fails to designate the work of Marx and Weber, as contributions in time, upon which other classical writers have built[13]. Habermas (1979, 1984 & 1986) seeks to de-myth technological knowledge for what it is and to move on through cultural development. Whereas, Foucault (1982:17) highlights how certain restrictions in action have required particular kinds of knowledge about oneself. Further, that knowledge technologies have obscured the once important human concern for morality. If, however, the goal of autonomy and freedom remains, then as Habermas would argue technical and cultural knowledge are open to change and so too is the path of Enlightenment Project. The question for critical social theorists should be which critical strategy will work towards, an ascetics which will produce the fruits of humanistic desire.

CONCLUSION

The purpose of this article has been to respond critically but progressively to Willmott's (1993) thesis corporate culturism be interpreted as a collective failure of moral nerve. This article points to a broader rational calculus of actions based on Habermas's (1979) socio-cultural or anthropological acknowledgement of 'the moralization of motives for action'. From this position Willmott's comparison of the Weberian framework of rationalized actions (as it is adopted and prescribed by corporate cultural gurus) with the Marxian framework of historical materialism in a critical stance which is merely defensive. To this end Willmott's paper shatters perceptions of the morally benign nature of corporate culture but fails to consider what might constitute an appropriate strategy for analyzing 'conscious and collective moral action'. His stance glosses over the reality that culture can and should be constructed so as to foster broader social and moral concerns.

[13] Both Habermas 1984 and Foucault 1982 claim to have built on Weber's notion of ascetism.

To illustrate this argument, genres of critical strategies were reviewed. Orthodox labour process theory following Braverman (1974) produced a defence against optimistic views of rational organisation and managerial control. In addition, Burawoy (1985) and built on this strategy to reconstitute, from the point of view of the ontology of class relations, the missing subjectivity of workers. Comparatively, critical management studies have used the Weberian framework of rationality to analyse the insidious effects of corporate culture on the affective, symbolic and ideal domains of employee action. However, in seeking to move beyond the limitations of the materialism of orthodox labour process theory and the narrowed rationalism of critical management studies an argument has been made for Habermas's (1979, 1984 & 1987) socio-cultural or anthropological perspective on culture.

The adopted anthropological approach was compared with the polarized positions of corporate culture gurus (Peters & Waterman, 1982) and pure anthropological researchers (Smircich, 1983) so as to highlight the potential for variations or differentiation in cultural development. This approach has been shown to build on Marx's theory of historical materialism, and Weber's theory of elective affinities, so as to highlight the possibility of broader ethical social actions. Generally speaking the postulate is for divergent cultural paths, either the ethical neutralization characteristic of corporate culture or the moral emancipation characteristic of socially oriented organisation. In this way the article argues broader cultural bases of organisation can and should be studied, exemplified, and reproduced.

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