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EMPLOYEE REPRESENTATION IN  
NON-UNION FIRMS: A CRITICAL  
EVALUATION OF MANAGERIAL  
MOTIVE AND THE EFFICACY OF  
THE VOICE PROCESS

by

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**ABBREVIATIONS**

<b>ACAS</b>	<b>Advisory Conciliation and Arbitration Service</b>
<b>AEU</b>	<b>Amalgamated Engineering Union</b>
<b>BIFU</b>	<b>Banking Insurance and Finance Union</b>
<b>CAC</b>	<b>Central Arbitration Committee</b>
<b>CS</b>	<b>Customer Service Team - FinanceCo</b>
<b>CSA</b>	<b>Customer Service Advisor – FinanceCo</b>
<b>CSM</b>	<b>Customer Service Manager - FinanceCo</b>
<b>ECC</b>	<b>Employee Consultative Committee – MediCo</b>
<b>EWC</b>	<b>European Works Council</b>
<b>GODPF</b>	<b>Group Organisational Development Policy Forum - FinanceCo</b>
<b>IDS</b>	<b>Incomes Data Services</b>
<b>LSP</b>	<b>Lump Sum Payment - MediCo</b>
<b>MNCs</b>	<b>Multi-National Companies</b>
<b>NERs</b>	<b>Non-Union Forms of Employee Representation</b>
<b>PC</b>	<b>Partners’ Council – FinanceCo</b>
<b>TQM</b>	<b>Total Quality Management</b>
<b>WERS</b>	<b>Workplace Employee Relations Survey</b>

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Peter Butler  
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## ABSTRACT

This thesis sets out to explore the much overlooked phenomenon of non-union employee representation (NERs). The work is concerned with both the utility of these structures from a workforce perspective and the managerial motivation underpinning the presence of these bodies. Further to the exploration of the above themes case study research was carried out in three organisations possessing relatively mature non-union representative structures.

In terms of managerial goals it is suggested that the extant literature affords a partial account; commentators characteristically depict a manifestly defensive intent, with goals evinced in terms of trade union exclusion. This study advances knowledge in this area by providing a more discriminating analysis exploring the contingent factors differentially shaping the managerial response to employee representation. Over and above union avoidance, evidence is presented of certain managerial actors pursuing a more proactive set of goals aimed at securing the co-operation of employees via the legitimacy imbued through the process of consultation. The necessity for such a response is tracked to factors relating to demands in and around the nature of the production regime/mode of service delivery.

With regard to the theme of employee empowerment the thesis broadly supports the extant literature in demonstrating that the institutions under review represent largely unavailing vehicles for the furtherance of employee interests. A distinct feature, however, is that in contrast to these predominantly descriptive studies the theme of 'voice' is ensconced within a theoretically informed analysis, allowing the study to move beyond this somewhat bland conclusion. The shortcomings are tracked to the key areas of power, autonomy and competence - ultimately manifest in a marked legitimacy gap.

In the final analysis it is argued that there are inherent tensions unleashed by this mode of intervention precluding beneficial outcomes for both parties. Specifically, topics relating to the irreconcilability of the pursuit of both corporate and workforce goals through a *managerially* derived format are considered. Similarly, the rationality and coherence of a managerial agenda pursuant of 'rival logics' of action, relating to both issues of workplace control and employee empowerment, is afforded critical scrutiny.



## CHAPTER ONE

### INTRODUCTION

It has become commonplace in recent years for industrial relations commentators to posit the presence of a ‘representation gap’ (Freeman and Rogers, 1993; Towers, 1997; Weiler, 1990). Given the scale of trade union decline that has continued largely unabated since the late 1970s the empirical foundation of such accounts is broadly treated as beyond reproach. In one sense, however, the above orthodoxy is problematic as declining trade union coverage is pressed *ipso facto* as evidence of wholesale employee disenfranchisement. It is considered axiomatic that non-unionism equates to an emasculation of employee voice while a closer analysis of the data problematises such an assertion. As Millward *et al.* (2000:124) acknowledge, drawing on the 1998 Workplace Employee Relations Survey (WERS), the decline in trade union coverage has been matched by ‘a major shift to non-union forms of voice’<sup>1</sup>. While such non-union arrangements can take a variety of forms, the 1998 WERS survey is again instructive in advising that a significant number of non-union firms - 22 per cent - possess workplace level joint consultative committees<sup>2</sup> (Cully *et al.* 1999:224), i.e. non-union modes of employee representation (NERs) - the theme of this study. As Terry (1999:18) has argued, this number of non-union establishments *these days*, ‘represents a lot of workplaces and a large number of employees’. This might suggest that the absolute magnitude of the purported representation gap characteristically ‘read-off’ from statistics relating to trade union coverage has been somewhat overplayed. At the

very least in view of the decline in both union recognition and the coverage of collective bargaining, as depicted in successive WERS data sets, questions concerning the effectiveness of alternative modes of representation become ever more pertinent.

Notwithstanding its current numerical significance the non-union sector remains grossly under researched. McLoughlin and Gourlay's (1994:163) assertion that 'how employees are managed without unions and the nature of relations with employees where unions are absent is an area ripe for further study', is well worth rehearsing, and still carries resonance almost a decade later, sentiments echoed more recently by Borgers and Lint (cited in Troy, 1999:3):

The organized sector offers industrial relations researchers increasingly narrow and stagnant areas of exploration. Alternatively the non-union sector provides the industrial relations researcher with vast, exiting and *unexplored* terrain (emphasis added).

One corollary is that the widespread preponderance of NER structures has not had its counterpart in academic analysis. Terry (1999:27) makes the point succinctly:

The data show that there is still a great deal more research to be done. We know virtually nothing about how these bodies are composed, the detailed machinery of election and its independence from managerial influence, the 'representativeness' of such systems... about accountability procedures of representatives, or the training and other assistance provided. Still more elusive are data concerning the effects of such systems - with regard either to the managerial objective of securing consent to change or the employee objective of influencing managerial decisions.

A plausible rationale for the evident lacuna is that the study of these structures sits uneasily with either of the dominant trajectories taken by the discipline of industrial relations over the last 50 years or so. Following Godard and Delaney



(2000), one might usefully counterpose the old and the new research paradigms. The former, representing the post-war orthodoxy, was based on an overly narrow and confining conception of the employment relationship; industrial relations theory and practice predominantly focused on formal national institutions and the practice of collective bargaining. Declining trade union coverage, the shift in power that is implied, with the increasing ability of management to seize the initiative betokened a marked modification in terrain, and re-definition of the subject matter - enter the new 'high performance' (ibid:482) paradigm. The switch to a research agenda which 'fundamentally challenges the traditional focus of the field of industrial relations' (ibid), was manifest in a move away from the standard Donovan focus on the relationship between institutions and agencies, placing managerial practices and strategy under ever more careful scrutiny. As Godard and Delaney (Ibid:484) note: 'in the new paradigm the study and promotion of new work and HRM practices replace research on unions and collective bargaining as the field's core'. NER structures, being managerial emanations, fall outside the reach of the standard institutional discourse as they do not in any way accord with the core subject matter: independent trade unionism. Superficially their managerial genesis would appear to provide them with coverage under the rubric of the new paradigm; however, as noted, the kernel of the latter counter orthodoxy is HRM. While the precise nature of the term remains somewhat elusive, it is generally conceptualised as encompassing a strategic collection of *individually* focussed HR techniques (Blyton and Turnbull, 1994:9). Conceptually, therefore, given that NER structures represent *managerially* formulated *collective* modes of representation, their hybridised nature has positioned them as outliers sitting beyond the ambit of either the traditional or more *avant-garde* research agendas.

The above myopia has ensured that the study of non-union forms of representation has suffered from a strong element of institutional blindness. Such data as exists is limited and piecemeal, consisting of a handful of isolated case studies, along with some more impressionistic Incomes Data Services (IDS) and WERS data sets. As Millward *et al.* (2000:108) argue, given the decline in trade union coverage ‘it is now ever more pertinent to examine the incidence of other forms of employee voice’. Incidence *per se*, however, tells us little if anything about effectiveness. Ultimately there is a need for in-depth qualitative data to ascertain if such structures ameliorate, or indeed contribute to, the aforementioned ‘representation gap’; this study seeks to make a significant contribution to this problematic.

Conversely, and relatedly, the thesis is not singularly concerned with the theme of employee enfranchisement and empowerment. Indeed, a major criticism levelled at extant data sets is their narrow focus and privileging of worker outcomes that leave important questions untouched. As a corrective to such an attenuated research specification, the work additionally seeks to explore the theme of causation, i.e. the managerial *raison d’être* underpinning the creation and enduring presence of NERs. It is only via a problematic framed in terms of *both* employee outcomes and managerial motive that the workings of these bodies, and the resultant tensions unleashed can be comprehended. As such the thesis provides additional theoretical depth and breadth to our understanding of these structures. The above twin themes represent the substantive empirical and theoretical contributions of the thesis, which is based around three case studies in organisations possessing relatively mature forms of non-union employee representation. Two are manufacturing

organisations, MediCo and FridgeCo, while the third, FinanceCo, is based in the banking sector.

This introductory chapter is sub-divided into three sections. Firstly, NERs are placed within the wider context of developments in labour law; developments that will inevitably further bolster the numerical significance of systems of non-union voice, underscoring the imperative for informed and critical scholarship. Following on from this a formal conceptualisation of the NER phenomenon is then undertaken. This leads into a fuller discussion of the academic rationale underpinning the thesis and the anticipated theoretical contributions of the study. The chapter closes with a broad outline of the structure of the thesis.

### **1.1 The Changing Context of Non-Union Consultation**

It is important to ally the present study with recent and ongoing changes within the industrial relations landscape. The decline in coverage of trade union representation outlined above is clearly pertinent; unless one subscribes to a secular shift away from a collective dimension to the employment relationship – ‘the fracturing of collectivism’ - (Bacon and Storey, 1996:43), this demands an evaluation of the efficacy of alternative emergent modes of collective voice. The study of non-union voice must additionally, however, be located within a discussion of the erosion of voluntarism within UK industrial relations. Over the last decade or so a range of provisions have been enacted serving to juridify a system formerly marked by significant legal abstention. As Terry (1999:19) argues, such legal developments are likely to bestow greater significance on these structures than has hitherto been



the case. The legal stimulus has emanated from both the European and domestic level. Within the context of the former the engine of European dirigisme has activated a burgeoning collection of Directives requiring organisations to consult with their employees or representative agents, regardless of trade union status; specifically the provisions relating to collective redundancies (1992); transfer of undertakings (1992) and health and safety (1996). In these instances non-union consultative bodies are a permissible channel for consultation provided their membership is elected (Hall, cited in Terry, 1999:19). Additionally, the working time regulations (1998) and parental leave Directive (1999) require consultation, adding to the necessity for some form of dialogue. Taken together there is now a clear statutory requirement for consultation to take place in non-union organisations in a myriad of areas. More significant, however, is the Directive on national level information and consultation, adopted by the EU member states in Spring 2002, that affords universalistic rights of information and consultation on economic and strategic issues (Sargeant, 2001:492) in organisations with 50 or more employees. This ‘radical development’ (Terry, 1999:20) is of significance because it formally presages the creation of standing rather than *ad hoc* non-union vehicles of consultation<sup>3</sup>, a permanent consultative machinery being implicit within the Directive (Sisson, 2002:5), suggesting some form of works council arrangements (ibid). With the European legislative stimuli gathering pace it is inevitable that the next few years will of necessity presage a significant increase in structures of non-union consultation, albeit of a more standardised and formalised nature than the current voluntaristic variant that forms the topic of this thesis.

The study of NERs additionally needs to be ensconced within legislative changes at national level. Of significant relevance is the 1999 Employment Relations Act (ERA), that provides a statutory formula for trade union recognition. As will be discussed, extant analyses of NERs typically approach the subject from within a trade union problematic; the broad prognosis for union influence in an era where managerially imposed channels of communication are increasingly prevalent. This is not an agenda with which this thesis is overly occupied, indeed it is argued that epistemologically there is much to commend Guest and Hoque's (1994:29) assertion that:

Since non-unionism is the norm for new establishments, we have arguably reached the point where we should get away from studying non-union establishments in relation to unionism and propensity to become unionised.

The above legal development does warrant consideration, however, within the context of this study, because it is an important dynamic that may have the curious epiphenomenal effect of increasing the importance of *non*-union modes of representation. As will be discussed in chapter 4, the utilisation of such structures as tools of union avoidance has been well documented, notwithstanding the fact that in the last 20 years or so the law has operated to facilitate de-recognition and trade union exclusion (Terry, 1999:18). With a formalised recognition procedure now in place it may be expected that the use of NERs, as both explicit and implicit strategies of union substitution, will increase in response to such a legislative 'shock'; a proposition afforded strong empirical support in recent work by Gall (2003:88). Indeed, employer interest in such structures is likely to be sharpened given that somewhat paradoxically the ERA for the first time similarly affords legal status, and hence legitimacy to 'employer sponsored, non-independent

workers' associations' (Smith and Morton, 2001:127). There is speculation amongst legal scholars that an application for recognition by an independent trade union may be defeated by the presence of a corporate NER structure (cf. Ewing, 2000; Smith and Morton, 2001; and also Gollan, 2002; 328-329). In sum, taken together, the above dynamics placing ever greater significance upon non-union consultation suggest a growing need for academic scrutiny of what can no longer be regarded as a peripheral field of study.

## **1.2 Conceptual Issues**

Given that this thesis is wholly concerned with the theme of non-union modes of representation it is necessary at this early stage to deal with the topic of 'construct validity' (Glew *et al.* 1995:400), i.e. the issue of which organisational entities should be labelled as NERs and so be admissible topics of study. This involves dealing with certain points of potential conceptual confusion. Generically these structures are components of the wider phenomenon of employee participation. However, being *representative* structures NERs embody (by definition) indirect employee participation. Such institutions, therefore, perform an agency function and must consequently be distinguished from direct forms of employee voice, for instance, briefing and problem solving groups. They may be viewed as a sub-species of the works council format which Rogers and Streeck (1995:6) have defined as 'institutionalized bodies for representative communication between a single employer ("management") and the employees ("workforce") of a single plant or enterprise ("workplace")'. As Hespe and Little (1971: 329) observe, however, 'works councils can mean different things in different countries', and



indeed within the UK the traditional lack of legal prescription renders the NER phenomenon particularly amorphous. Consequently in terms of form a heterogeneity of permutations are possible. Following Biagi's (1998:484) modelling, workplace representative bodies may be analysed along two dimensions relating to their structural and functional properties. With regard to the former aspect NERs may, for example, represent both managerial and non-managerial grades, or as is common solely the latter grouping. In respect to function the terms of reference of the bodies might extend to issues distributional in character (e.g. wage bargaining) and/or items more integrational in nature such as productivity matters. Additionally, and crucially, competence is similarly apt to vary from the right to information through to negotiation. Depending upon context such councils may consequently be redolent more of a mode of 'top-down' communication than a vehicle for the genuine expression of employee voice. Notwithstanding the above ambiguities and rather complex reality Gollan (2001:378) has usefully identified six common elements appertaining to NERs and this allows us to sketch out a broad conceptualisation:

First, only employees at the organisation can be members of the representative body. Second, there is no or only limited formal linkage to outside trade unions or external employee representative bodies. Third, a degree of resource is supplied by the organisation in which the employee representative body is based. Fourth, there is a representation of employees' interests or agency function, as opposed to more direct forms of individual participation and involvement. Fifth, such structures predominantly deal with a range of issues at a workplace and/or organisation. Sixth, there is no independent membership criterion based on individual employee contributions.

While such a conceptualisation is technically correct and represents a useful point of entry, it nevertheless fails to emphasise the pre-eminent characteristic of these institutions: traditionally within a UK context, in contrast to the European variant,

such structures have lacked legal institutionalisation. They have hitherto been exclusively managerial emanations existing solely under the suffrage of employers. It is important, therefore, to stress that the institutions under review are not neutral structures and emphasise the primacy of management as both architect and initiator<sup>4</sup>. Given their managerial genesis there is consequently a strong *prima facie* presumption of a lack of independence<sup>5</sup>. Such evidence as there is suggests that these bodies do not have the power to alter their own rules without the concurrence of the parent organisation. They would appear, therefore, to various degrees to be under the control or domination of the employer. Such an absence of regulation, either by legislation or through industrial agreements, as will be discussed in chapter 5, has profound implications for the autonomy and thus efficacy of these structures.

This more thorough conceptualisation, emphasising the pre-eminent role of management as both the gate keeper and patron of such schemes, gives rise to two principal theoretical issues. Firstly, given that the creation of these entities represents considered and purposeful managerial motive, how are we to best understand the rationale that underpins their significant incidence? Secondly, in view of the aforementioned constraints on independence, how effectively do such institutions serve to articulate the interests of their constituents? It is these two core theoretical debates relating to managerial motive and employee outcomes that occupy the two substantive chapters of the thesis.

### 1.3 The Theoretical Contribution of the Study

As noted, characteristically commentators have approached the topic of NERs from within a very circumscribed remit. To date the dominant framework of analysis has been based upon what might broadly be termed democratic theory – the rights of employees to have some say in their working lives. Thus, extant analyses have largely been preoccupied with implicitly counterposing the utility of NERs against orthodox trade unionism as a bargaining medium. Within such a research agenda NERs are both viewed and judged solely as a means of advancing worker interests. This narrow research specification is inadequate as no account is taken of competing interests and divergent definitions of success. The managerial goals and gains sought are liable to differ from those of employees, and are unlikely to stem from the above democratically inspired perspective, with production and efficiency issues, or more subtly, designs relating to the very legitimacy of the management function (cf. Ramsay, 1985:58-60) dominant. Indeed, the likelihood of a specifically managerial agenda is a theme that the wider generic literature on employee participation has been sensitive to:

The key lies in understanding the differing and contradictory interpretations held by the two sides of this notion of participation. Typically, the representatives of capital have their minds set on a unitary conception of ‘the company’ in which all change must be orientated to the goal of efficiency (Ramsay, 1977:498).

A distinctly managerial set of priorities is likewise acknowledged by Robert Mason:

Management is unlikely to recommend worker participation beyond the point at which they perceive the greatest marginal utility in terms of their own objectives (Mason, 1982:178).



The corollary to the above is that these bodies may plausibly be successful from a managerial perspective, while failing to satisfy the tests relating to organisational pluralism implicit within extant accounts.

In view of the predominant focus on employee interests the theme of managerial motive is characteristically approached from a somewhat tangential position.

Nevertheless, the tenor of existing studies is that such bodies represent explicit or implicit components of union evasion strategies. An integral facet is, thus, a focus on NERs as defensive responses by management to perceived labour pressures.

Intellectually and theoretically these analyses have their provenance in Ramsay's (1977) 'cycles of control' thesis, while lacking the latter's historicist dimension and implications. Although Ramsay's account was more broadly related to the generic phenomenon of employee participation, indirect forms represented the central components of the analysis. Ramsay's principal assertion was that managerial interest in such schemes was only invoked when capital's control over labour was perceived to be under threat in some way, the ultimate purpose being to incorporate the workforce through the provision of 'phantom participation' (ibid:1980). From this perspective, far from bestowing meaningful authority on employees, such schemes were viewed as means by which management sought to maintain and extend a relationship of dominance and control. To be sure, Ramsay's account has a coherent symmetry and has served to usefully cast light on certain issues, *viz.* the potential tendentious use by management of schemes ostensibly participatory in nature as a means of reinforcing prerogative. However, as will be discussed in chapter 4, Ramsay's thesis is based upon an unsatisfactory and overly narrow set of assumptions with regard to the nature of the management function. There are

likewise methodological and theoretical flaws in the work. Suffice to say at this stage that, in particular, the waning of trade union influence and authority that has occurred over the last 20 years or so problematises a narrow focus on issues of workplace control (cf. Ackers *et al.* 1992). Set within such a context a more discriminating account has to explore the possibility of a more complex causality. Indeed other critical, but less narrowly framed literatures, acknowledge the potentially multifarious ends that both direct and indirect participation might serve as a component of any managerial toolbox. For example, Marcel Bolle De Bal (1992:607) has stressed five main functions: ideological (e.g. union weakening); economic (improvement of the workforce); psychological (e.g. motivation); organisational (e.g. de-bureaucratisation) and sociological (e.g. co-operation and control) (cf. also Ackers *et al.* 1992; Marchington *et al.* 1992). In keeping with this more thorough theorisation, and in contradistinction to extant accounts, it is argued in later chapters that NERs may serve varied managerial ends and that the presence of these phenomena is not reducible to any simple universal rationale or *grand theory*. Through in-depth micro analysis it is additionally demonstrated that disparate goals may be pursued by organisational actors operating at differing hierarchical levels, and that managerial motive may similarly vary over time in relation to external shocks and exigencies.

As discussed earlier, existing accounts have been largely preoccupied with the second substantive theme of the research concerning the efficacy of NERs as institutions for the expression of collective employee voice. (cf. Broad, 1994; Gollan, 2001; Lloyd, 2001; Watling and Snook, 2001). While the studies have expressed dissatisfaction with the effectiveness of NER voice provision the

accounts are nevertheless largely descriptive and atheoretical in their analyses - specifically the concept of 'voice' remains under-articulated and has not been satisfactorily unbundled. Ultimately, there is a need to develop a set of analytical tools that will further the systematic evaluation of NERs as mechanisms of employee voice, particularly important in comparative work such as this. This task is additionally undertaken: the three NER structures in this study are exposed to a thorough and searching examination through the lens of a conceptual framework that operationalises voice in an intellectually rigorous and systematic manner.

Characteristically the principal defect of this mode of voice provision is conceptualised in terms of an absence of power. However, the above studies actually *explain* little in terms of why NERs lack recourse to this particular resource. Within wider studies of trade union representation the generation of *manifest* workforce power is classically viewed as a function of *latent* power resources, i.e. the ability to impose collective sanction. The NER literature suggests, however, that the potential to coerce employers into accepting employee demands through combined workforce pressure is generally lacking. The thesis again transcends existing research by re-connecting issues of apparent workforce passivity to the themes of leadership and workforce mobilisation, ultimately tracking issues appertaining to the efficacy of voice to wider workplace cultural and social dynamics.



## 1.4 Thesis Outline

The main body of the thesis is divided into five chapters. In the following chapter a methodological synopsis is provided. This argues the suitability of an in-depth case study approach as a tool for both capturing issues of complex causality, and themes appertaining to the empirical assessment of voice provision. Chapter 3 focuses on the organisational context of the constituent study companies providing important background material. It explores and summarises the principal contextual variables, a necessary task if we are to shed light upon the presence of NERs and issues of wider corporate strategy. In each instance this is followed by an outline of the structure and terms of reference of each of the representative bodies. This both provides further contextual data and serves as an essential input to the later evaluation of the efficacy of the voice process.

Chapters 4 and 5 represent the two substantive data sections. The former explores in detail the theme of managerial motive. Following work by Ackers *et al.* (1992) it draws upon contingency theory to unravel the managerial agenda. Firstly, echoing existing accounts, it is argued that via this mode of intervention the various management actors are responding to pressures relating to issues of workplace control. More specifically, the desire to direct issues both of workplace change and pay policy, without reference to a potentially obstructive external representative agency, is seen to inform managerial thinking. In contradistinction to extant accounts, however, in two of the organisations managerial interest is seen to embody a more complex causality. This extends beyond a simple industrial relations logic, to matters in and around the generation of employee engagement and involvement. It is argued that issues relating to the nature of the

production/service regime and labour market considerations are driving such a differential response.

Within chapter 5 the empirical field of analysis is switched to the employee side, and here the topic of the effectiveness of the voice process is considered. Given the comparative nature of the research design, this raises important issues relating to the definition and operationalisation of the voice construct. To advance systematic cross case comparison, a framework for empirical analysis is crafted comprising four principal dimensions: power, autonomy, competence and legitimacy. These four vectors of voice become the principal axes for the presentation of the material that highlights a variety of defects in the actual operation of this mode of representation. As noted, extant accounts conceive of the deficiencies of these structures predominantly in terms of the first concept - power. The more sensitive treatment afforded by the importation of the above schema makes an important theoretical contribution, both by more thoroughly exploring the complex topic of power, and by demonstrating that the problems encountered by this mode of voice are only fully explicable with reference to other fundamental difficulties.

A novel feature of the study is that each of the above chapters is preceded by a discrete review of the literature germane to the topic. This is essential because these represent somewhat disparate fields of analysis often drawing upon distinct bodies of work. If the former chapter is predominantly concerned with theorising the managerial motive underpinning the NER response in terms of core environmental contingencies, the latter is preoccupied with more fundamentally empirical issues relating to the operation and measurement of voice. This

differential focus does not lend itself to a conventional discretely positioned literature review, a facet reflected in the structure of the thesis.

While the body of the thesis comprises two chapters that are largely self contained, each operating within the confines of its own theoretical boundaries, the concluding chapter sets out to both reflect upon the major findings and provide articulation by placing them on a broader theoretical canvas. Within this final chapter the inherent tensions unleashed by this mode of intervention are contemplated. Specifically, topics relating to the theoretical irreconcilability of the pursuit of both corporate and workforce goals through a *managerially* derived format are considered. Thus, for example, the theoretical nexus between managerial goals in and around the maintenance of prerogative and the creation of institutions formally 'soft' on power is afforded coverage. Furthermore, the rationality and coherence of a managerial agenda, often pursuant of 'rival logics' of action related to issues of both workplace control and employee empowerment, is subject to critical scrutiny. It is ultimately argued that there are inherent contradictions and tensions unleashed by this mode of managerial intervention, manifest in a marked degree of dysfunctionality that undermines the generation of beneficial outcomes, not simply for employees but also for management.



## Notes

1. Data applies to workplaces with over 25 employees.
2. The nomenclature utilised to describe such bodies varies: joint consultative committee; company council; works council; staff council and employee consultative committee are all widely utilised. As Gollan (2001:378) acknowledges 'the varieties in terminology do not equate to differences in form and function'.
3. Thus, for example, under the terms of the Collective Redundancies (Protection of Employment Legislation) (Amendment) Regulations 1999 employers may consult with employees specially selected for statutory consultation purposes. However, health and safety consultation is an ongoing requirement (James, cited in Terry, 1999:20).
4. This likewise applies to consultation arrangements irrespective of union status. For example, the 1998 WERS survey indicates that fewer than 10% of managers said the creation of such bodies followed an agreement with employees or trade unions. Fewer than 5% said it happened at the request of staff (Millward *et al.* 2000:111).
5. Lack of independence also has profound legal implications. Specifically, it represents grounds for a refusal of a certificate of independence under the Trade Union and Labour Relations (Consolidation) Act 1992. These provision are of significant importance for those employers seeking to pass off NERs as *bona fide* trade unions (cf. Gollan's ((2002)) account of News International).

## CHAPTER TWO

### METHODOLOGY

The introduction set out the academic rationale underpinning the study and afforded a preliminary indication of the conceptual architecture that will be utilised to organise and evaluate the core themes outlined. This chapter details the principal means of data capture employed along with a brief epistemological sketch. The latter synopsis is necessary in order to afford a degree of meta-theoretical transparency, providing the reader with an indication of the *a priori* commitments utilised to structure the empirical data. Building away from such philosophical issues a justification is made for the core methodological tool - the case study approach and the constituent research techniques utilised. Inevitably when a case study methodology is selected the issue of generalisability must be confronted; the discussion tackles this theme articulating both a defence of the case study approach and the utilisation of qualitative methodology more generally. The review moves on to provide an account of the rationale for site selection including a sketch of the principal variables of the case study organisations. The chapter closes with a brief account of the means of data analysis.

#### 2.1 Epistemological Matters

Given that one research aim is to explore and account for the managerial motivation underpinning the presence of NER structures, the work may be seen as

following within the positivist tradition that has informed much industrial relations research. As Burrell and Morgan (1979:50) note, positivism is ‘based upon epistemological assumptions dominated by a concern to search for and explain the underlying regularities and structural uniformities which characterise the natural world’. Positivism, however, represents an extremely broad church and my own epistemological position embodies a relatively soft philosophical variant. This is to be contrasted with more dogmatically positivist stances such as behaviourism and what Little (1991:224) terms ‘predictive theory naturalism’. Thus, the assumption underpinning the research is that while unquestionably explanation should be striven for within the social sciences, the notion of very precise forecasting and modelling akin to that encountered within the natural sciences is regarded as untenable. Hence, the conclusions forged with regard to the managerial rationale underpinning these structures, for example, must be regarded as indicative rather than conclusive.

It is argued that a broadly positivist approach may be justified on the grounds that the search for causal explanation represents a legitimate role for social scientific research, an assertion that many anti-positivists, e.g. those advocating what Little (1991:232) describes as an anti-naturalist posture, would no doubt reject.

Adherence solely to the latter epistemology, finding its apotheosis in post-modernism, would preclude the important role that the social sciences play within social policy formulation, given that the overtly subjective focus provides minimal scope for theorisation on *social* causation (cf. Kelly, 1998:108-125). Certainly within the discipline of industrial relations the positivist approach has been put to effective use, and this has in turn informed public policy contributing to the design



and implementation of policies and practices (cf. Kochan, 1998). In particular industrial relations agencies and institutions have been the focus of much theorising and accordingly our understanding of the essential elements of the industrial relations system, such as trade unions and collective bargaining, has been greatly enhanced. It is ultimately within such a tradition of positivism that the study is positioned.

## **2.2 The Case Study Approach**

As discussed, this thesis is concerned with two core themes: the managerial motivation underpinning the presence of NERs and (relatedly) the efficacy of employee voice. As will become evident in chapter 4, with regard to the former theme of causality there are detailed processes at work, processes that can only be comprehended and described through the medium of complex concepts. Likewise, in chapter 5 the topic of efficacy is broached through a theoretical schema that draws upon similarly rich conceptualisations. The interpretation and evaluation of a textured reality through the agency of such intricate and multi-faceted constructs lends itself naturally to a rigorous qualitative case study methodology. As Kitay and Callus (1998:104) have noted:

The case study is particularly well suited to researching motives, power relations or processes that involve understanding complex social interaction,

- these represent integral facets of the study.

Within the introductory chapter criticism was made of the unsophisticated nature of theorising in this area, and the over reliance upon unicausal explanations of

managerial motive or ‘grand theory’. Developing this theme it was suggested that the re-configuration of power resources to a situation considerably more conducive to management renders a simple focus on control issues less than convincing. One corollary implicit in such a critique is that the goals pursued by management are likely to be conditional upon organisational context, rather than reducible to *a priori* specification. The implications for research design are evident; there is a clear need for NER structures to be observed holistically, i.e. embedded within their socio-economic and historical context. Again this is a task to which the case study is particularly well suited:

A case study is an empirical enquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. In other words you would use a case study method because you deliberately wanted to cover contextual conditions - believing they might be highly pertinent to your phenomenon of study (Yin, 1994:13).

The fit and suitability of a case study methodology - highly sensitive to context - will become apparent within the two substantive chapters. Firstly, with regard to managerial motive it is evident that the goals pursued are indeed multifarious and contingent upon broader managerial strategies beyond those appertaining to the management of the employment relationship *per se*. Similarly, within the context of the efficacy of the voice process a notable facet is the extent to which the flourishing economic health of an organisation can serve to mask deficiencies, while a more laggardly financial performance serves to throw any shortcomings into sharp relief.

### 2.2.1 The Ethnographic Dimension

As various commentators usefully remind us (e.g. Yin, 1994:1; Kitay and Callus, 1998:103), a case study must be regarded as an overarching research *strategy*, rather than *a technique*. In this sense the particular research tools selected (see below) are predominantly qualitative, indeed they combine in effect to provide three ethnographic studies<sup>1</sup>. From this standpoint the thesis follows in the Warwick industrial relations tradition of fine grained micro-level research utilising, *inter alia*, the technique of non-participant observation (see below) (cf. Batstone, Boraston and Frenkel, 1978; Batstone, Ferner and Terry, 1983). Such an approach was considered particularly apposite given the limited existence of textured research rendering NERs largely uncharted territory. As Friedman and McDaniel (1998:118) note, ‘the role of ethnography in discovery, and its focus on inductive learning, make it especially important as a vehicle for entering new domains of study’. This is particularly so where the researcher is seeking to decode issues appertaining to the collective nature of labour relations, since certain qualitative techniques including face-to-face interviews ‘entail an inherent methodological individualism’ (Hodson *et al.* cited in Friedman and McDaniel, 1998:119). It is perhaps, however, the sensitivity to context that renders ethnography a particularly apt tool for this sort of research focusing on micro-level institutions, a full understanding of which requires an appreciation not simply of the external business environment, but more subtly corporate ideology:

Ethnography is ...uniquely suited to addressing certain research questions, such as those that require an understanding of culture, social interaction, or other aspects of complex social systems that cannot be reduced to individual actions or attitudes (Friedman and McDaniel, 1998:117).



The power of the ethnographic approach will be demonstrated at various junctures within the thesis, not least in chapter 5, where the conditioning influence of organisational culture upon the efficacy of NER voice provision is considered.

### 2.2.2 The Constituent Research Tools

Within each organisation four core approaches were utilised as part of the data gathering exercise: semi-structured interviews; non-participant observation of council meetings and other corporate events; documentary analysis; and more informal discussions with employees. This accords with various prescriptions for the use of multiple data collection methods:

If each method leads to different features of empirical reality, then no single method can ever capture all the relevant features of that reality; consequently, sociologists must learn to employ multiple methods in the analysis of the same empirical events (Denzin, 1970:30; cf. also Eisenhardt, 1989).

Likewise the convergence of multiple sources of evidence (Yin, 1994: 93) facilitated by such data ‘triangulation’ performs an important corroboratory function.

The preliminary stage of the research in each instance involved a thorough analysis of a wide range of documentary data. This included the relevant constitutions of the representative bodies; training manuals; company newsletters; and access to the corporate intranet. Most importantly, however, minutes of council gatherings for the previous two years were requested for evaluation. Such an analysis served a dual purpose. Firstly, it facilitated some early appreciation of the lexicon that organisational actors utilise to structure their working lives. Specifically in this regard the fashion for acronyms can prove somewhat daunting and impenetrable to



outsiders. Through the minutes it was possible to become immersed in the ‘native language’ of each organisation prior to entry into the field, allowing the interviews to move immediately beyond laborious and time consuming matters of clarification in terminology. This is important because in conducting exhaustive qualitative research there is inevitably a limited amount of time available. Most significantly, however, the minutes were invaluable in constructing a chronology of recent key events, the detail of which would provide the ‘structured’ element of the interview protocols. The interview schedules were drawn up in all three instances following a trawl through the minutes, with questions strongly informed by the documentary analysis - predominantly framed around critical events, i.e. a variant of ‘critical incident technique’ (cf. Chell, 1996; Patton, 1990:342). The utility of this approach is that in contrast to a standard semi-structured interview, often comprising predominantly abstract questions, ‘there is a focus which enables the researcher to probe aptly and which the interviewee can concentrate upon – a “hook” upon which they can “hang” their account’ (Chell, 1996:55). In Patton’s (1990:326) terms, ‘something to push off against. Developing this point Chell (1996:68) has argued that under such a research methodology:

The linkages between context, strategy and outcomes are more readily teased out because the technique is focussed on the event which is explicated in relation to what happened, why it happened, how it was handled and what the consequences were.

Thus the data gleaned from the minutes functioned as a very powerful *aide-mémoire* giving rise to the re-telling of accounts rich in narrative detail. Such highly focussed questioning allowed impressions to be gained of *how* and *why* management were utilising the representative bodies during various significant episodes or ‘organisational dramas’ (ibid:71). Furthermore, it facilitated the

longitudinal tracking of the decision making process. It was possible, therefore, to build up an accurate picture of the influence of the constituent bodies; their ability to reign-in managerial prerogative, and hence the overall efficacy of the voice process. As Patton (1990:294) has argued, such ‘knowledge and skill questions’ typically need a concrete context given that they can be quite threatening, adding that it is, ‘helpful to ask them in conjunction with specific questions about activities and experiences that have a bearing on knowledge and skill’ (ibid). To be sure, as Scott (1994:38) advises within this sort of ethnographic, and indeed all forms of qualitative research, ‘there are clear difficulties in understanding the past by means of personal recollections and reflections’, not least due to the possibility of systematic bias (cf. also Kitay and Callus, 1998:108). Developing this theme, Godard and Delaney (2000:490) have observed that cognitive dissonance theory suggests that if an interviewee is supportive of an innovation he or she may tend to explain any appearance of dysfunction as a reflection of incomplete implementation. Conversely, attribution theory (ibid) suggests a tendency to inflate the success of innovations, particularly those ‘owned’ by various managerial players. Herein, therefore, lays the necessity to interview a wide range of corporate actors, giving the researcher numerous measures of the same phenomenon, reducing the influence of bias imbued through inaccurate and selective accounts. Consequently, at all three research locations interviews were conducted with managerial actors representing a range of functional specialisms and hierarchical position, as well as with both current and former representatives (see Appendix 1).

Interviews varied in length from one to three hours and were of a standard structure. Initially interviewees were probed regarding their biography before the discussion

moved into the formal interview schedule. Additionally, where appropriate, actors close to the representative process were quizzed regarding their task and function. Inevitably, given the exploratory nature of the research, adjustments were made to the interview protocol allowing for the development of emergent ideas and new thematic areas of inquiry.<sup>2</sup> Thus data capture was a fluid and iterative process with each new interview building and expanding upon those already done through a process of elucidation and elaboration. The interviews were generally concluded with more unstructured discussions moving beyond the representative process *per se*, aiding the desire to present a holistic account of the relevant institutions.

Given that a core theme of the research seeks to gauge the efficacy of the representative process it was considered essential that attention should not be focussed solely on those actors directly engaged within the consultation/negotiation process; there was a clear need to canvass wider rank and file opinion. Such an analysis is integral to an evaluation of the perceived legitimacy of the institutions which in turn feeds into broader issues of efficacy discussed fully in chapter 5. The desire at the outset was to conduct a series of focus group sessions; a request which the ‘gatekeepers’ at each organisation initially agreed to in early exploratory meetings. Production (MediCo and FridgeCo) and service delivery (FinanceCo) imperatives however, dictated that once on site supervisors proved to be less than amenable. In the final event while such sessions were indeed held at MediCo, wider employee opinion at the other locations was canvassed through more informal means. Permission was granted at FridgeCo to speak with production workers during both their ‘smoke’ and lunch breaks. While not an ideal scenario, a sustained period on site resulted in employees becoming less aware of a ‘foreign



body'. The assurances made to employee representatives in the formal interviews regarding impartiality and confidentiality appeared to be diffused laterally, inspiring confidence in their work mates resulting in the forthright expression of views as the research progressed. Similarly, at FinanceCo formal interviews at head office were generally concluded with coffee in the canteen where representatives would routinely invite colleagues to air their own personal views. Likewise, out in the high street branches interviews were typically held in the staff room, facilitating the 'piggy backing' of more informal discussions onto the interview schedule. A further useful data source utilised at FinanceCo was an employee ballot, commissioned by the organisation and undertaken by the Involvement and Participation Association (IPA), into *The Future of Representation* within the company. In total 2,543 papers were disseminated attracting a crude response rate of 56.15%. The centre piece was an employee poll (discussed in chapter 4) that sought to gauge, *inter alia*, the level of trade union support within the company. Much of the value of the report, however, lies in the comments provided within the open section where many employees took the opportunity to remark, often at some length, on the current non-union representative model.

While the principal instrument of data capture was the aforementioned set of interviews, an important and novel feature of the study was the direct observation of the actual functioning of all three of the representative bodies. This served an important supplementary function (the dates and details of such meetings are recorded in Appendix 2). Given the limited literature, little information is available concerning how such gatherings actually influence the decision making process. The technique of non-participant observation was considered essential as



documentary analysis and interviews can only take us so far. In the final analysis there is a need to view the dynamics of group discourse and observe patterns of behaviour in their natural setting if the researcher is ultimately to obtain a ‘feel’ for the manner in which these institutions operate. Marchington (1980:135), for example, has argued that this particular tool allows the researcher to,

examine the way in which communication and consultation may serve to strengthen rather than weaken management’s control by virtue of social and technical expertise and greater access to relevant information.

During the monitoring of council gatherings it was possible to observe the interchange between management and representatives, and track the manner in which espoused managerial beliefs with regard to participation operated at the behavioural level. These and other important observations were similarly used iteratively to inform subsequent interview protocols forming a second tranche of critical events that representatives were requested to reflect upon.

With regard to observation techniques Patton (1990: 235-237) has argued that what people say, what they do, and how they interact are all of consequence.

Significantly, however, it is likewise stressed that ‘it is also important to observe what does *not* happen’ (emphasis in original). This is an important point, and a number of comments are made within the data chapters with regard to things that did not occur. Hence, such observation served to cross validate emergent themes generated from within the interviews regarding deficiencies in and around the skill of representatives, group autonomy and cohesion. Ultimately such detailed monitoring of the bodies revealed genuinely novel insights with regard to the constraints the institutions work under.

It will be evident from the above account that this study is essentially qualitative in nature. Nevertheless, it is acknowledged that there are strong ‘synergies’ (Eisenhardt, 1989:538) to be realised from the complementary use of both qualitative and quantitative techniques - not least the broader reach of the latter. Indeed, the original research specification envisaged the dissemination of a survey within each of the relevant study sites. Organisations, however, are not laboratories; while the proposal for a questionnaire was raised early on in access negotiations, the ‘gatekeepers’ at both FridgeCo and FinanceCo were less than enthusiastic - in hindsight with good cause. The personnel manager at FridgeCo regarded the suggestion as somewhat futile given that previous questionnaires originating from his office into ‘important’ issues, such as the hours for shift working, had met with a negligible response. Likewise, at FinanceCo in the period immediately prior to research commencing, the organisation had conducted its own annual employee survey as well as the aforementioned employee ballot. It was politely suggested by the head of group HR that the organisation was consequently suffering from an element of ‘survey fatigue’. In the final analysis, however, the research was not significantly handicapped by such an omission. At FinanceCo the organisation’s own survey data provides a rich and useful means of canvassing employee opinion on key issues and is utilised where appropriate. Although at FridgeCo the study is devoid of a quantitative dimension, as will become evident, it is within this organisation that employees expressed the strongest and most forthright opinions in informal group discussions regarding the representative body - virtually unanimous were are espoused. It is therefore unlikely, had a survey been conducted, that the opinions evinced would not have been echoed in a wider sample.

In contrast to the other study organisations, at MediCo a survey was conducted. An interview protocol was agreed with the HR director with one question regarding trade union support removed at his request. In total 227 survey sheets were distributed to the 330 production workers (see Appendix 3). Dissemination was incomplete because one supervisor failed to respond to the internal memo outlining the procedure and rationale behind the activity. In the final event 68 questionnaires were returned. While statistical significance cannot be imputed due to the level of response, the data does conform tightly to the more qualitative focus group data suggesting that the findings may be extrapolated with a degree of confidence. It is worth stressing again, however, that overall the quantitative data is to be considered very much secondary and auxiliary to the qualitative analysis. Issues of managerial motive, causation and the efficacy of voice, as argued above, may only be analysed and captured via an ethnographic approach sensitive to workplace culture. The quantitative approach is, nevertheless, a useful adjunct to an evaluation of the legitimacy of these structures; a factor, as noted above, that likewise conditions efficacy. Such data will accordingly be introduced in support of the more qualitative findings where applicable.

### 2.2.3 The Issue of Generalisability

The classic concern regarding case study research relates to threats to ‘external validity’, i.e. ‘the extent to which the research findings can be extrapolated beyond the immediate research sample’ (Johnson and Duberley, 2000:46). This controversy has its philosophical roots in wider academic fratricide regarding epistemological leanings; a debate that occasionally spills over into the column inches of the mainstream social scientific and industrial relations journals (cf. the



lively discussion between McCarthy, 1994 and Millward and Hawes, 1995). Within this altercation the commonplace criticism levelled at case studies is that they are situationally grounded, concerned with specific instances at the expense of the general. One corollary is that such ‘depth studies’ are perceived as being of little value as generalisable inferences cannot be made regarding broader populations. As Scott (1994:29) argues, however, ‘this is based upon a narrow understanding of what it means to “generalise” from the particular to the wider situation’. Expanding upon this theme Scott (ibid) argues that case studies are about ‘using the evidence of behaviour in particular enterprises to shed light upon issues which are common to a wider range of business organisations’. Ultimately, to borrow from Yin’s (1994:10) technical terminology, we are concerned with ‘analytical’ not ‘statistical generalisation’, the objective being to generalise theories ‘rather than enumerate frequencies’ (ibid). Thus, for example, with regard to managerial motive the relevance and utility of the studies is to a large extent contingent upon whether the structural factors conditioning managerial behaviour, and the normative values held, mirror those in wider organisations with functioning NERs. As will become clear when the analysis is merged with extant data, there are resemblances suggesting that the novel insights afforded are likely to have wider applicability to the social processes in other organisations.

At another level of analysis the very notion of generalisation and extrapolation must be regarded in any event as a misnomer within this kind of exploratory research. At various junctures within the thesis heuristic analytical frameworks are positioned in order to distil and comprehend the evidence. For example, within chapter 5 voice is conceptualised and evaluated along the dimensions of power,

autonomy, competence and legitimacy. The utility of such analytical tools lies not in any generalisation of findings *per se*, but in their penetrative ability to let us more fully understand the complex situation under review. Once developed and refined they may be employed in other studies of the same phenomenon where the findings may or may not be replicated. The utility of such devices, however, is ultimately conditioned by their analytical power to generate novel and interesting findings.

### 2.3 Site Selection

A problem with case study research is the strictly limited number of cases that can be dealt with. If nascent theory is to be significantly developed, site selection is a crucial exercise. In effect this calls for what Eisenhardt (1989:537) terms theoretical, rather than random sampling: ‘thus the goal of theoretical sampling is to choose cases which are likely to replicate or extend the emergent theory’ (ibid). In this respect some of the notable variables as between the three case study organisations are highlighted below (Table 1).

**Table 1. Significant Organisational Variables**

	MediCo	FridgeCo	FinanceCo
Ownership	US	Malaysian	Irish
Sector	Manufacturing (Healthcare Products)	Manufacturing (Refrigeration)	Banking
Mode of Production/ Service Delivery	Predominantly flow-line and Taylorised, very short (3 second) cycle times	Recently introduced cellular format, enhanced cycle times now extending up to 120 seconds	Increasingly sales orientated. Predominantly face-to-face customer interaction
History of Unionisation	No	Yes	No
Formal Competence of Representative Body	Negotiation	Consultation	Consultation

How then do these variables tie in with the existing literature? As noted within the introduction this area of industrial relations has attracted minimal theoretical input to date, with what evidence there is pointing to the use of NERs as explicit or implicit tools of union avoidance (cf. Terry, 1999 for a meta-analysis). However, as similarly argued, a whole series of more creative reasons can be advanced justifying the necessity for formal consultation, not least the potential commitment and co-operation, and enhanced ‘moral authority’ (Scott, 1994:154) engendered through elements of joint regulation. Fundamentally, therefore, these broad themes informed the research protocol, i.e. the aim was to both more rigorously test elements of an emergent theory relating to an essentially defensive rationale, while simultaneously exploring the possibility of a more creatively inspired set of goals. While there is no readily available directory of organisations operating NER structures, the Incomes Data Services (IDS) series of studies (IDS;1989; 1994; 1999) provides a modest data base of such bodies, along with a sketch of organisational structure and context. With regard to the theme of union evasion, in view of the widespread clustering of trade union representation in manufacturing establishments with 200 or more employees (Millward *et al.* cited in Terry, 1999: 22), a shortlist was drawn up of organisations with NERs conforming to size and sector on the basis that, *a priori*, if union avoidance does indeed form some element of managerial motive it is in these very organisations that we would expect to find it operative. Interestingly, following a cursory inspection it became evident that several such organisations were wholly owned subsidiaries of US multinational organisations (MNCs). The visceral objection of American business to trade unionism has been well documented. Reviewing the terrain Almond *et al.* (2001:19) observe that extant data suggests that US MNCs are usually unwilling to



recognise trade unions within their UK subsidiaries, adding that recent studies indicate ‘lower levels of both union recognition and union density among US MNCs compared with either MNCs of other national provenance, or local firms’. It was evident that access to such an organisation would consequently represent a ‘critical case’ (Yin, 1994:38) within which to refine and extend, or indeed challenge emergent theory. Consequently three US MNCs were approached for research access. Two declined the invitation to take part, while the last of the trio, MediCo, expressed interest. Following preliminary discussions with the personnel manager research access was granted.

If union avoidance has preoccupied commentators, the presence of NER structures within some significant players within private sector services (e.g. Marks and Spencer and John Lewis) where unionisation has traditionally been sparse (Waddington and Whitson, 1997), would appear to render the union avoidance thesis a less than convincing universal explanation - plausibly a different set of motivational processes are at work here. At the outset, therefore, it was considered essential to conduct a more *exploratory* case study within a non-manufacturing environment. Again due to the lack of an encompassing directory recourse was made to the IDS data sets. Ackers *et al.* (1992:278-279) have pointed to the use of participative structures generically in such service sector settings as tools towards employee involvement, often ensconced within schemes of ‘customer care’; such initiatives have been particularly prominent within the finance sector (cf. Cressey and Scott:1992). Accordingly again drawing on the IDS data sets an approach was made to FinanceCo, a former building society that had recently undergone demutualisation into a fully fledged high street bank. Given the desire to explore

issues of causality beyond the framework of union evasion it could be argued on theoretical grounds that this organisation was a less than ideal candidate. Unusually within the service sector, financial services has a tradition of extensive trade union coverage, and this arena has likewise been the site of relatively recent trade union militancy (cf. Gall, 2001). There was an inherent risk that the study might simply again corroborate existing data sets and offer few novel insights, and as Eisenhardt (1989:548) has argued, ‘theory building which simply replicates past theory is, at best, a modest contribution’. Put less prosaically: ‘it is, after all, not very creative to rediscover the wheel’ (Coffey *et al.* 1996:147). Given the assurances made by the head of group HR, however, regarding the quality of research access, such a potential hazard notwithstanding, a research protocol was submitted and agreed upon.

The generation of theory from case studies is very much an iterative process; the potential flexibility of this particular methodology is beneficial in that it facilitates improvements to be made to the research design on an ongoing basis, and likewise allows the researcher to exploit alternative and potentially fruitful avenues of investigation. Commenting upon this theme Eisenhardt (1989:539) acknowledges that ‘these adjustments allow the researcher to probe emergent themes or take advantage of special opportunities which may be present in a given situation’. Within this context other research openings were actively being pursued. Early on in the project contact had been made with FridgeCo, a manufacturer of both domestic and commercial refrigeration, and some time had been spent on the plant conducting preliminary investigations as to suitability. As will be discussed in chapter 3, however, the company was experiencing something of a financial crisis.

This meant that my presence coincided with a tense atmosphere and the invitee (the personnel manager), proved a somewhat reluctant host. Nevertheless, following the research periods at both MediCo and FinanceCo the potential importance and utility of this site was evident. The organisation had recently moved from a flow-line format to a total quality management (TQM) regime, complete with cellular production – in early talks the production director had hinted at the use of the representative body as a component of the wider TQM culture. In view of, by then, interesting emergent FinanceCo findings, further exploration of the use of NER structures towards proactive, as opposed to defensive, managerial goals appeared to be an avenue worth rigorously pursuing. Council minutes revealed that my original contact, the personnel manager, had moved on. Consequently an approach was made directly to the production director, the champion of the consultative process, for further research access. The request was granted and a series of further visits were arranged. This proved to be invaluable: access to *both* MediCo and FridgeCo facilitated the comparison of two NER structures operating within a manufacturing context - but as adjuncts to very different production regimes. The two settings juxtaposed allowed the further development and refinement of emergent ideas concerning the relationship between the managerial motivation underpinning NERs and the labour process variable<sup>3</sup>.

The above rationalisation of research sites has focused largely on the theme of managerial motive. Nevertheless, the study protocol was developed similarly with one eye on the other principal theme of study - the efficacy of NER voice. Hence, the initial pairing of MediCo and FinanceCo was likewise chosen partly on the basis that preliminary contact with the organisations confirmed that the terms of



reference of the representative institutions were at variance. While within the former organisation the council was ostensibly involved in wage negotiation, within the latter competence extended no further than consultation. In an earlier meta-analysis Terry (1999:24) had suggested that in such settings the distinction between consultation and negotiation needed to be ‘interpreted with considerable caution’. It was anticipated, therefore, that such a matched pairing would facilitate an evaluation of the extent to which the differences in nomenclature were actually translated into genuine differences in employee leverage. Likewise, within the context of voice the assimilation of FridgeCo into the research design was seen to add an important extra dimension to the project. The representative structures at both MediCo and FinanceCo were inserted into mature non-union settings; neither organisation had any prior history of trade union recognition. By way of contrast the FridgeCo company council had been expressly created following the de-recognition of the then AEU. This suggested two important research opportunities. Firstly, it was envisaged that the efficacy of non-union voice might be usefully benchmarked and mapped against the earlier union variant throwing into sharp relief any shortcomings, a tactic successfully, albeit implicitly, employed by another commentator (Lloyd, 2001). Furthermore, the study would facilitate some further exploration of the effect of residual *de facto* trade union linkages on efficacy, a theme similarly touched on in earlier studies. As will become evident in chapter 5, the legacy of trade union presence is of particular significance when the autonomy of these structures is considered.

In the final analysis it was deemed that three case studies provided the optimum balance in terms of potentially informative variables, set against the inevitably time consuming nature of this form of rich qualitative research.

## **2.4 Analysis and Presentation of Findings**

Various references have been made above to Kathleen Eisenhardt's (1989) approach to inductive case study research. Thus, while the early stages of the research process conformed to Eisenhardt's prescriptive model involving the definition of broad research questions, rather than specification of hypotheses; theoretical rather than random sampling; multiple data collection methods and flexible and opportunistic data capture, Eisenhardt's model similarly informed elements of the later data analysis phase. The first step of this process was 'within case analysis' (ibid:540), i.e. the writing up of individual reports from the study sites. As Eisenhardt notes such practice both helps the researcher to prune an enormous volume of data and similarly 'gives investigators a rich familiarity with each case which, in turn, accelerates cross case comparison' (ibid). This latter process involves the 'iterative tabulation of evidence' (ibid:533), a function neatly captured within Pierce's notion of 'abduction' (cited in Coffey *et al.* 1996:155-162). This is a form of data analysis that facilitates a more 'dynamic interaction between data and theory' (ibid:156) than orthodox approaches based upon either inductive or deductive logic. Thus, a principal element within this approach is that when an anomalous finding is encountered an attempt is made to account for it by relating it to broader concepts; consequently strange phenomena are not used only to disconfirm existing theories, as within an orthodox hypothetico-deductive

methodology, but utilised to ‘come up with new configurations of ideas’ (ibid). There is ultimately a ‘repeated interaction amongst existing ideas, former findings and observations, new observations and new ideas’ (ibid). The discussions at the end of each of the two substantive chapters and the final conclusions forged are ultimately the result of this iterative endeavour.

The substantive body of the thesis is presented as thematically based chapters rather than individual case studies. This affords both analytical and theoretical clarity and facilitates the systematic cross case tabulation of the various comparative issues raised. The two core chapters are introduced via a battery of pertinent research questions that are subsequently used to structure and frame the overall presentation. Having approached the subject of NERs from two thematically distinct directions, it is the job of the concluding chapter to lend holistic articulation to the study. This is achieved in two principal ways; firstly, the implicit linkages contained within the constituent discussions relating to managerial motive and the efficacy of voice are further teased out and made explicit. Secondly, the constituent discussions are linked to broader theoretical issues.



## Notes

1. As Friedman and McDaniel (1998:115) observe ‘some stricter definitions of ethnography include only participant observation’. The delineation utilised here is based upon the above scholars’ more embracing definition that includes ‘research based on direct field observation but excluding research based on only formal interviews or company records’ (ibid).
2. Eisenhardt (1989:539) cautions that such alterations raise questions regarding the extent to which it is legitimate to alter data collection methods during a study. Eisenhardt, however, comes out in favour of such ‘controlled opportunism’ within theory building research because ‘investigators are trying to understand each case individually and in as much depth as is feasible’ (ibid: 539).
3. This term is used here in a descriptive sense as shorthand for ‘the nature of the production/service regime’. By inference its subsequent usage within the thesis is divorced of the connotations associated with that body of work known as labour process theory, unless indicated otherwise.

## **CHAPTER THREE**

### **THREE NON-UNION REPRESENTATIVE STRUCTURES IN THEIR ORGANISATIONAL CONTEXT**

Some preliminary information regarding the study organisations was provided in the previous chapter. This chapter builds upon this and furnishes further contextual information, particularly pertinent to an appraisal of the managerial genesis and causation of these structures.

Ambitious strides have been made over the years to link the management of the employment relationship to various contextual pressures e.g. the volatility of product markets; desire for price leadership; technology; extent of market dominance and degree of monopsony power (cf. for example, Arthur, 1992; Thomason, 1984; Thurley and Wood, 1983 and for a more sophisticated example of this genre Marchington, 1990). One corollary is that any credible account of the causation of corporate industrial relations institutions has to be informed by data relating to various environing factors or influences. Within this context it became evident during the field-work that two factors were inducing respectively ‘push’ and ‘pull’ effects on the managerial attitude to collective representation: externally derived business pressures, and a more endogenously derived set of influences relating to the nature of the labour process. Accordingly this framework shapes the configuration of much of this chapter in terms of the provision of contextual data. A note of caution needs to be inserted at this point. It should be stressed that the aim of the summary that follows, and the derivative chapter 4 analysis, is not to

*formally* model the linkages between various structural determinants and the presence of non-union representation. The more modest intermediate goal is to explore the presence of these structures within the context of wider corporate strategy, i.e. to connect so-called ‘third order’ choices (Colling and Clark, 2002:302) concerning the management of the employment relationship to broader business goals. So embedding the analysis firmly within corporate context is an important corrective; too often the purpose of such structures is couched in terms of ‘union avoidance’ which is depicted as some ‘free floating’ end state, with no attempt made to explore the contribution of such status to wider corporate strategies. The positioning of the contextual data is intended to facilitate a more nuanced understanding of the perceived complementarities between particular institutional preferences relating to voice, and wider managerial priorities.

Following on from the more structurally orientated data, some rudimentary information is provided regarding corporate culture and the derived managerial style. Within Purcell’s (1987:549) terms, ‘style’ may be broadly viewed as originating philosophies and policies that influence managerial actors. This synopsis serves two functions; firstly, it allows us to further shed light on the more subtle influences upon corporate HR policy beyond direct structural imperatives. Secondly, the summary is especially pertinent to chapter 5; as will become evident, corporate culture has important indirect ramifications for the autonomy of the representative bodies and hence the efficacy of the voice process. Additional to the above information, an outline of the individual council structures along with an account of their formal terms of reference is provided. This data forms an essential backdrop to the chapter 5 appraisal of employee voice. As much of this latter



discussion is given over to an exploration of the relevant institutions through the concepts of power and autonomy, the constitutional basis and formal remit of the institutions of necessity warrants close inspection.

### **3.1 MediCo**

#### 3.1.1 Contextual Data

MediCo is a US headquartered company employing over 40,000 people in 100 countries world wide, with a very strong European presence. Towards the corporate mission of providing ‘critical medical therapies for life threatening conditions’, the company manufactures a range of products, most notably fluids and drugs to patients both within and outside the hospital environment.

Within a UK context Medico supply over 7,500 medical products servicing almost every hospital in the country. In total around 1200 people are employed at three UK locations; the majority (600) being based at the study site - the UK production facility. The study plant, which opened in 1965, is a dedicated site for the manufacture of intravenous (IV) solutions. The saleable product consists of the actual IV solution (e.g. glucose, amino acids and salts) along with the relevant housing, generally plastic containers or bags.

An overview of the industry suggests a market that is becoming increasingly competitive. Consolidation amongst competitors and reductions in margin driven by, what were described by one production manager as, ‘more financially aware’

health care service providers, have served to impinge upon corporate growth - especially at a European level. Under central budget setting these demands have created an imperative upon the plant to reduce costs annually by 5%. Regulatory shocks have in recent years additionally exacerbated the financial pressures faced particularly by UK operations. Prior to 1999 MediCo (UK) had a virtual monopoly on the supply of blood packs to the NHS for transfusion purposes. Following the CJD crisis it became necessary under revised legislation for the product to have a special integral filtration system inserted. Modification to the manufacturing system at MediCo (UK) was deemed too costly by European operations in view of spare capacity at other European sites. Production was accordingly transferred to continental Europe with the resultant loss of 68 jobs. This episode similarly highlights the adverse consequences that can follow corporate divestment decisions, pressures that in turn have given rise to intense competition between European satellite plants for the securing of inward investment.

In terms of the status of the workforce the 600 MediCo workers may be subdivided into two discrete groupings: euro grade (management and supervisory staff), and plant grade (manufacturing operatives); the majority (430) comprising the latter grouping, predominantly female (280). The collective body, the Employee Consultative Committee (ECC), represents *only* plant grade employees.

Manufacturing operatives undertake a range of tasks including packing, warehouse work, cleaning and quality assurance, however, the vast majority are process workers. The mass of the MediCo output takes place on five ('viaflex') production lines involving a largely unskilled set of tasks. The finished product is a plastic bag

containing a solution (the ubiquitous hospital ‘drip’) - more than 42,000 one-litre bags are filled every day. The central production task is clearly visible to the visitor and operatives average between 20 and 30 bags per minute (field notes), i.e. a cycle time of around three seconds. Notwithstanding the monotonous nature of the work, at the time of the research recruitment for such positions was unproblematic, not least due to the solid local reputation of the firm as a ‘good employer’ (see below).

In terms of the management of the employment relationship the pervasive, not to say intrusive, nature of the parental managerial style may be gleaned from the corporate intranet which outlines the organisation’s ‘total compensation philosophy’; a philosophy that is unashamedly paternalistic demonstrating a wide array of welfare-based personnel policies - the touchstones of orthodox paternalism.

The tendency for US multi-nationals (MNCs) to ‘diffuse’ their overriding managerial philosophy and employment practices out to subsidiaries has been well documented (cf. Hamill, 1984; Edwards *et al.* 1999). The MediCo (UK) employee relations model accordingly exhibits a strong paternal-unitary ethos, tailored to the domestic legal and cultural framework. Accordingly while a familial culture is actively cultivated, the paternalism exhibited is less munificent and more subtly understated than the US variant. The core orthodox tenets of paternalism are nevertheless present with, for example, the company supporting both a pension and share ownership scheme for all employees. Within the context of the latter, employees receive a 15% discount off the market price of MediCo stock. Likewise, a production bonus is paid twice yearly to employees, the quantum being dependent upon ‘favourable variations to budget’. Dependent upon performance



the amounts can be significant; just prior to the research production workers were awarded an amount in excess of £600. Paternalism is likewise demonstrated in the guise of responsibility outside of the core employment relationship emphasising the parental nexus with medical and educational provision to the fore. All MediCo employees are given health screening with on-going checks on cholesterol level, lung function and eye tests; the provision of a full-time nurse is complemented by weekly visits from the company doctor. Such a paternalistic approach to the management of the employment relationship is classically treated as the visible manifestation of a unitary ideology (cf. for example Poole, 1978:55); the related tendency for US companies to engage in ‘welfare capitalism’ to specifically mediate union involvement has of course been well documented (cf. Jacoby, 1997 and for a more critical account Edwards, 1979). The role that the representative body likewise plays within such a strategy of union avoidance is a key theme explored in chapter 4.

### 3.1.2 The MediCo Employee Consultative Committee: Form and Function

The origins of the Employee Consultative Committee (ECC) can be traced back to the early 1970s. Outlining the genesis of the body, the in-house journal candidly observes that the institution was ‘predominantly formed to appease pressures from the then Labour Government’. This is an oblique reference to the ‘Social Contract’ legislation of this era that sought to regularise the trade union recognition procedure. Notwithstanding this hint that the institution was reactively formulated, the formal council constitution nevertheless positions a more benign proactive foundation:

The company has for many years recognised the importance of good communications between employees at all levels. It also recognises that this becomes more difficult as we move down the structure of the organisation. Additionally there is a belief that each employee has a right to be aware of the future plans and direction of the company and to be allowed to express an opinion on those decisions which have an impact on them and their working life. There will be many methods of providing the communication and one of these is the Employee Consultative Committee (ECC).

In pursuance of the above goals, the constitution provides for the convening of a forum of 19 members comprising a chairman, vice chairman and 17 representatives from the employee side to represent 'plant grade' personnel, i.e. process workers up to, but not including, supervisory level, along with 5 senior managers.

Representatives are drawn from specific work areas, representation is thus functionally based. The rules provide for election by secret ballot with each candidate required to be both proposed and seconded; the period of tenure is formally designated as two years with candidates eligible for re-election.

The constitution provides for representatives to be given reasonable time off for training to undertake their representative duties, which are detailed as encompassing both collective and individual dimensions. Accordingly the presence of representatives (if required) at disciplinary hearings is provided for. An addendum deals with the role of the ECC chairman; over and above his or her representative duties, the post is deemed to be one involving that of coordinating the body with weekly meetings scheduled with the personnel manager 'to ensure a continuous dialogue over pertinent issues'. Facilities for the post include the use of an ECC office complete with computer and telephone.

It is important to note that the constitution, along with the relevant amendments, dates back to 1984, consequently - perhaps unsurprisingly - by the time of the research there had been considerable slippages from the above prescription. The number of representatives stood at six. While this was partly a reflection of a reduction in production workers during the intervening period, which the constitution had not been amended to reflect, it was largely a legacy of the last pay talks but one that gave rise to a series of resignations (discussed at length in chapters 4 and 5) - this had initially seen the number of delegates plummet to just three. Similarly, elections were largely uncontested and the provision relating to the need for re-election after two years service appeared to have fallen into disuse. With regard to the communication of outcomes, information relating to the content of meetings was fed back to constituents via the ECC notice board in the foyer of the plant. There was no direct systematic mechanism in place to facilitate contact between representatives and their constituents.

The format of meetings had evolved into a tiered structure whereby twin departmental (fluids and support) meetings were held bi-monthly with plant level meetings convened quarterly. The remit of the former was more parochial involving issues such as working conditions, canteen and general production issues. The tendency was for senior production managers only to be present at the plant meetings, where the agenda was broader and more strategic in nature, focusing on areas including pay; manufacturing performance; plant financial performance, and future business objectives. Formal competence extended to consultation with regards to working conditions; holidays; hours of work; health and welfare; manpower policies and procedures, and education and training.



Somewhat anomalously, however, in view of both the title of the committee and the paternal managerial style, the body was additionally charged with the task of ostensibly *negotiating* the annual pay review.

## **3.2 FinanceCo**

### 3.2.1 Contextual Data

FinanceCo currently employs around 2,800 staff within its head office and network of 132 branches. Up until the 1980s the organisation fulfilled the role of a typical medium sized building society providing mortgages and a narrow range of savings and in-house investments. As with MediCo the onset of the 1990s betokened an increasingly inhospitable trading environment partly due to regulatory shocks. Such change facilitated the entrance of new players in the form of traditionally non-bank businesses such as Marks and Spencer and Tesco into the financial services arena. Likewise, technical change stimulated more cost effective customer delivery channels, notably telephone banking, which was exploited by a further influx of lean new entrants such as First Direct (Storey *et al.* 1998:131). Largely in response to such pressures, in 1996 an amicable agreement was concluded whereby the then Society became a wholly owned subsidiary of a major Irish banking group - 'EireCo'. The move was seen as providing a much needed cash injection allowing the bank to refashion the delivery channels of its traditional product range. A call centre based operation offering a range of deposit and savings based accounts and employing 200 people was opened in 1999. Expansion continued with the purchase of a dot-com advisory company in 2000, offering advice and guidance on a range

of products, confirming the bank's belief in both a 'bricks and clicks' strategy. The re-modelling of the company was given formal underpinning in mid-2001 when the bank, again following the wider sectoral trend, split into four autonomous business units: Consumer (the retail network), Secured Lending (mortgage processing) and two separate divisions dealing with internet banking and high net-worth client accounts.

The subsequent move to de-mutualisation and the re-balancing of stakeholder interest, due to the consequent need to deliver shareholder value, served to reinforce the transition underway to greater commerciality and a more sales orientated market-driven culture. Perhaps inevitably the bank followed the wider sectoral trend towards a cost containment strategy focusing on the rationalisation of the retail network. As with all the major clearing banks, a branch closure programme was undertaken in the late 1990s in response to a profits squeeze across the industry as a whole; the cull took place in two phases involving the closure of 29 sites.

The realignment in corporate priorities has had a particular bearing upon branch employees. The role of the branch structure has undergone a marked transformation from a transaction based cash-in cash-out format, to a more sales driven orientation - symbolically captured with the re-titling of customer service *assistants* (CSAs) to customer service *advisors*. In recent years the required skill profile of such customer facing employees has altered immeasurably. The reduction in paper transactions, due in large part to the proliferation of the ATM network, has been offset numerically by the re-alignment of branches essentially

into finance shops. The traditional cashiering role is largely defunct, with the core activity becoming one of lead generation to the burgeoning cadre of regulated specialist sales professionals that proliferate at branch level.

In terms of managerial style, the former FinanceCo Building Society is best viewed as an archetypal model of a finance centre business tradition that has been described as conservative, paternalistic, and bureaucratic (Cressey and Scott, 1992; Storey *et al.* 1998). Automatic cost of living and incremental pay increases based on length of service have been the norm buttressed by an array of welfare benefits, including final salary pension provision; generous sickness benefits; private medical cover, and a profit share and share purchase plan. It is clear, however, that competitive pressures and the need to move to a more performance orientated culture have triggered various changes. This has been manifest in the inculcation of an array of individually centred policies over and above orthodox paternalism, conforming to elements of Purcell and Sisson's (1983) 'sophisticated' paternalist or human relations model. Such individually focussed practices have included internal training, promotion ladders, attitude surveys, and appraisal and assessment techniques.

### 3.2.2 The FinanceCo Partners' Council: Form and Function

The genesis of the partners' council (PC) may be traced back to 1992; the scheme was originally piloted in the south-west retail network and over the course of the next three years rolled out to the remainder of the organisation. Partners' councils are structured to mirror the overall corporate model; hence, in recent years there have been a number of modifications and refinements as the organisation has



conterminously rationalised certain areas of the business while expanding into growth sectors.

The PC model now consists of six divisional councils, two being retail, the other four head office based. Each of the divisional councils consist of representatives who are elected for a period of two years. While elections are widely publicised by the internal communications department the reality is that most representatives stand unopposed. Nominees may be full or part-time employees and on a standard or temporary contract - there is seemingly no minimum qualification period.

Although representatives ostensibly represent all non-executive grades (A to E), the practical reality is that senior managers (first line reports – grade A) see little need for *collective* representation. Hence, *de-facto* the councils represent employees up to middle management (grade B) level.

Representatives are allocated 10 hours per month to devote to PC business; there is, however, no formal monitoring of this. The constitution provides that the council members select a chair from amongst themselves and requires that a ballot be conducted with 75% participation. The research, nevertheless, suggests some slippage from the prescription with an absence of formal ballots. Corporate policy provides for PC meetings to be held every 4 to 8 weeks although the preferred frequency is monthly. In addition to the representatives and chair, a member of the HR team is present at meetings; this is an essential requirement due to the rolling HR policy review programme that dominates much of the council agenda (see below). Additionally guest speakers, e.g. members of the senior management team, address the councils on a regular basis.

Under the terms of the partners' council charter the competence of the body is expressly limited to consultation. An additional policy document released in October 2000 affords practical guidance on what the company will and will not consult on. Hence, strategic decision-making is deemed off limits. While the size of the annual pay award is likewise beyond the scope of the terms of reference, the document does nevertheless add the rider that 'the executive/senior management will seek the views from staff as to how best to distribute the money and take account of this feedback in drawing up guidelines for managers'. Similarly, the 'broad shape' of structural change is exclusively an executive decision with the qualification added that 'advice and guidance will be sought from staff representatives on the resolution of detail and implementation issues'. The document expressly states that consultation *will* take place on health and safety issues, proposed changes to benefits and other local and organisation wide issues. The scope of consultation is, however, again potentially circumscribed by the caveat in the charter that the nature of employee involvement will depend upon both time scales for decision making and, 'the degree to which confidentiality is an issue'.

In practical terms while the remit of the institution is potentially wide, the councils have evolved over the years predominantly into HR policy review bodies. The total corporate portfolio of around 30 policies, from whistle blowing and criminal activities outside work, through to pensions and pay, is reviewed on an annual rotating basis by each of the councils, the whole process being co-ordinated centrally by group HR. The final ratification to HR policy is made at the group organisational development policy forum (GODPF). The body comprises senior

personnel from a range of functional areas as well as the divisional council chairs. Here the recommendations of the divisional PCs are considered. This heavy and detailed focus on all HR policy areas dictates that much of the PC agenda is of a fairly anodyne nature - nevertheless inevitably the issue of pay policy invokes strong feeling.

Because the FinanceCo PC comprises a total of six divisional councils logistically within the given time frame it would not have been possible to interview a sufficient quantity of representatives from each body to yield reliable data sets. In consequence, a decision was made at the outset to focus predominantly on two councils, one retail (consumer-west), and the other head office based (professional services). The former comprises customer facing cashiers and sales staff, while the latter is a diverse mix of employees ranging from lawyers and IT specialists through to filing clerks. The key factor that favoured an evaluation of these bodies, over and above the other four contenders, was that they are the most mature of the group having survived recent re-structuring relatively unscathed. This facilitated the framing of questions in and around a wide range of issues.

Given that the study seeks to focus on these divisional councils, both of which are distinct in a number of ways, there is a need to provide some additional information on both the composition of the bodies and to elucidate more fully on their organisational context.



### *The Retail Council*

The retail branch structure has undergone a series of transformations in recent years. This has most significantly entailed the separation of the in-house sales force into two distinct entities: the advice and guidance (A and G) and customer service (CS) teams. The CS component comprising the two lowest gradings (D and E), is made up of customer service advisors (CSAs) and their immediate report - the customer service manager (CSM). The role of CSAs has become increasingly commercially orientated as the company has sought to obtain greater fee income via cross selling to its customer base. Thus, a key task is that of increasingly generating 'referrals' to the specialist A and G sales team (grade D) in areas such as pensions, mortgages and life assurance. In common with the industry in general, CS posts are predominantly female and there is a marked reliance on part-time employees, often returnees, to cover demand peaks.

In total this council contains 13 representatives servicing 520 employees in 65 branch locations. Representation is both geographically and functionally based, thus there are 10 CS representatives covering *both* the CSA and CSM population by region. The numerically smaller A and G team has two delegates and the remaining place is occupied by a representative for CS area management.

A marked feature is the geographical dispersal of constituents. Contact between representatives and constituents is maintained largely via the corporate intranet. Representatives mail out details of council meetings e.g. minutes, proposed amendments to HR policy and requests for feedback, either to the branch CSM or a designated 'Pal' - effectively the eyes and ears for the representative at branch

level. As noted, this body is actually one of two retail councils; a recent development has been the convening of an informal group whereby both the ‘consumer’ bodies meet with members of the senior management team. This allows for serious matters of concern to be given further detailed consideration.

### *The Head Office Council*

This body comprises employees who provide a range of shared services to the newly autonomous business units. Broadly these fall under the functional areas of IT, marketing, compliance, HR, training and branch control. This council may be contrasted with its retail counterpart in two respects; firstly, the constituency is densely located within the new corporate headquarters; secondly, constituency sizes are smaller. While typically a CS retail representative would be responsible for 50 employees this drops to around 28 within the head office council - at the time of the study there were 22 representatives for around 600 staff. As a result of the smaller constituency size there was no formal mechanism in place to facilitate contact between representatives and constituents, although in some instances team briefings had been utilised, with e-mail being popular. Due to the closer proximity of representatives to their constituency very often contact would be of an informal face-to-face nature.

Similarly, in contrast to the retail council, the inclusivity of this body is immediately apparent; the council represents employees throughout most of the corporate hierarchy from the lowest grade, E, through to B. Typically, therefore, a quorum would contain an eclectic occupational mix. While the retail representatives are clustered amongst the lower gradings and tend to be female -

often part-time - conversely within the head office body there is a more even hierarchical dispersal. One important aspect of the FinanceCo study is the more career driven nature of the head office environment: this distinction has clear implications for various outcomes of the representative process; more particularly the linkages to autonomy and competence are explored in chapter 5.

### **3.3 FridgeCo**

#### 3.3.1 Corporate Context

FridgeCo manufacture a range of refrigeration products employing around 900 workers at their south-coast plant from where appliances are designed, manufactured, marketed and sold. While both commercial and domestic products are assembled, the mainstay is the latter market. The majority of the combined workforce, some 700 employees, comprises semi and un-skilled production workers - predominantly male. In 1994 the firm was acquired by a Malaysian conglomerate. During the period of study a £40m programme of capital expenditure had recently been completed. This involved moving production from the old manufacturing facility to an adjacent site utilising 'state of the art' manufacturing technology. The above cash injection notwithstanding it is important contextually to note that the research coincided with corporate fortunes being at their historical nadir. The electronic 'white goods' market is notoriously competitive; the study organisation has traditionally operated within the bottom segment where competition is at its most intense, positioning itself as a 'no frills' value for money brand. The retail sector for domestic appliances is dominated by a



small number of large players; indeed 80% of company output goes into just three retail groups. Given this degree of monopsony power, these retailers are able to exert immense pressure to drive factory gate prices down, effectively playing off one supplier against the other. Pressures have been compounded of late by a recent influx of imports. As the technology is predominately 'low-tech', there are few barriers to entry and the strong pound had served to suck in goods from various low labour cost countries, manifest in a decline in UK market share from 16 to 8%. In consequence the company had been a loss maker for a number of years, resulting in both a wage freeze and 64 production workers being made redundant in 1999.

As a direct result of the above pressures a decision had been made to equip the new factory with cellular production technology, replacing the traditional flow-line format. This was perceived as complementing a strategy where the focus would increasingly be on the more customised, as opposed to the 'cut price', end of the market with the more flexible format facilitating smaller production runs. The move to cellular production, nested within a broader just-in-time production philosophy, was envisaged as additionally resulting in savings due to reduced stock holding and inventories. It was anticipated that this would aid the need for competitive pricing of the ongoing budget lines running concurrently to the new upmarket range. It is important to note, however, that the change in strategy was beset with an array of problems including increased 'down-time' due to commissioning problems, and a poorly received new product launch. Consequently by the time of the research the company was continuing to lose money month-on-month, testing the patience of the parent company.

One important consequence of the move to cellular production was the introduction of team working. The precise specification of the latter was relatively modest in that there remained a separation of maintenance from production tasks, and there was no integration of craft expertise into the constituent teams. Nevertheless, multi-tasking and job rotation were evident. One implication of this was that greater demands were placed on production workers than had hitherto been the case under the previous flow-line format; not least because cycle times under the cellular regime had been extended to 120 seconds as compared to the previous 23 seconds per task. Similarly, production operatives under the new TQM regime were responsible for the intra-cellular inspection of work 'delivered', as opposed to the previous more formalised mode of quality assurance. Hence, the demands of the production regime contrast markedly with that of the other manufacturing organisation under review: MediCo.

Significantly, the accompanying introduction of shift work had led to an exodus of many long serving employees, replaced largely by temporary agency workers, mostly foreign. Indeed, at the time of the research, from a total of 700 production employees some 150 were temporary. As will be discussed in chapter 5, changes in workforce composition have had a variety of consequences, impacting not least upon managerial-representative power dynamics.

Within the context of managerial style FridgeCo may again be contrasted with both MediCo and FinanceCo in that there was no historically derived cultural template from which a specific FridgeCo model of employee relations could be invoked by the management team. Immediately following the take-over by the Malaysian

conglomerate a new board had been appointed comprising three English functional directors responsible for production, finance and technical matters reporting into a Malaysian managing director. The MD was shared with another subsidiary with his presence limited to one brief visit of two days per month. While in all matters of finance the autonomy of the domestic management team was negligible, no attempt had been made to impose any sort of uniform ideology from above. Likewise, there was minimal interference with detailed HR policy provided it was conducted within the confines of the financial limitations imposed by the annual 'management plan'. Consequently the overarching managerial 'style' was brought to bear by the dominant personality on the board: the production director. The ideological outlook of this actor had been greatly influenced by his experience of the Japanese production model while on secondment to Honda from Rover in the early 1990s. The resultant style exhibited was consequently unitary in outlook with a heavy focus on informality - within the production areas there was an open door policy complemented by 'shirt sleeves management' - buttressed by extensive communications. This much having been said, the other key managerial players, the finance director and personnel manager, were keen to imbue their own particular fiefdoms with a more 'old school' formalised approach, making it more appropriate within this organisational context to talk in terms of managerial *styles*, rather than *style*.

### 3.3.2 The FridgeCo Company Council: Form and Function

An important contextual distinction between FridgeCo and the other study organisations is the previous history of trade union presence on the plant. Prior to 1995 FridgeCo had a recognition agreement with the then AEU, covering terms



and conditions for all production workers up to and including supervisory level, with plant level bargaining taking place between management and senior shop stewards. Following the purchase of the company by the Malaysian parent, action was taken to swiftly withdraw from collective bargaining with the union's 15 shop stewards given three months notice of de-recognition. Shortly after the de-recognition a new company council was crafted largely by the production director with additional input provided by the then Industrial Society, the broad purpose of the body being to,

give employees an opportunity to make a contribution towards decisions taken by management; particularly those decisions affecting the continuing viability of the company and hence the job security of all employees.  
(*Council Constitution*)

Thus, on the employee side provision was made for the appointment of 15 delegates based upon function up to, but not including, supervisory level with two seats reserved for non-production workers, i.e. clerical staff. Management representation was led by the production director acting as the formal chair of the committee; stipulation was likewise made for the presence of both the finance director and personnel manager, with the managing director's secretary attending in a minute taking capacity. The constitution provided for delegates to represent between 50 and 70 employees 'subject to the practicalities of constituency formation'. The rules likewise allowed representatives to have up to eight hours of time off each month from their 'normal jobs' (excluding attendance at council gatherings) to communicate with their constituents. In terms of tenure, the formal policy prescribed that delegates be elected by secret ballot on a simple majority basis with elections held annually. All representatives were required to have at least one year of service with no written disciplinary record. Meetings were scheduled

on a monthly basis with provision made for the convening of extraordinary gatherings; these have been called in the past, for example, to comply with the redundancy legislation.

As within the other study organisations there has been an element of slippage as between actual practice and the prescribed formalities. By the commencement of research in 2000 three of the designated seats on the council had been vacant for some time, and likewise the tendency was for representatives to be 'elected' unopposed - mirroring the position at both MediCo and FinanceCo. On the managerial side the finance director was characteristically absent, reflecting the positioning of the body increasingly as a conduit to the production side of operations (see below). More fundamentally, for employees the move to the new factory and the concomitant switch to cellular production from the previous flow-line format had not been reflected in the lay out of the constituencies that remained unamended. The previous production model based upon four production lines in no way accorded with the move to eight production cells. This, allied to the random dispersal of representatives throughout the new facility, dictated that the precise domain of delegates was somewhat haphazard. It was evident, likewise, that there was no formal mechanism in place to facilitate the feedback of council deliberations to the wider workforce. Representatives were further handicapped in that no resources (e.g. office and computer) were put at the disposal of the body.

With regard to the formal powers of the council the constitution somewhat ambiguously provides that:

The function of the council shall be to discuss matters affecting the operating efficiency of the company, and matters affecting the interests of employees. The council shall, therefore, act as an advisory body.

In effect the above provision has given rise to the formal competence of the institution extending into the broad terrain of consultation, but stopping well short of negotiation. Likewise, while the constitution provides that the chairman of the council has the discretionary power to ask for a vote to be taken on any subject under discussion, it is evident that no great significance can be attached to this in terms of any influence upon the decision making process. Constitutionally the formal scope of such discussions is, however, potentially wide and may include company performance, working conditions, training and development, and general conditions of employment and benefits. Nevertheless, for practical purposes the financial plight of the company, and the ongoing wage freeze, has ensured that in recent years the vast majority of council time has been taken up with issues in and around plant performance and pay, with other matters placed on the back burner. Given the numerical dominance of representatives from the factory side and the inherent focus on manufacturing themes, the committee has similarly evolved *de facto* into a forum for the playing out of issues in and around the production process.

### **3.4 Concluding Remarks**

The purpose of the above synopsis has been to provide the contextual foundations for the analytical body of the work that follows - the immediate task in chapter 4 being an exploration of the managerial motive behind the presence of these non-union representative bodies. As will become evident, while it is not possible to



impute a uniform rationale, a coherent explanation is nevertheless possible; more specifically product market pressures and the nature of the production regime have had significant ramifications for managerial behaviour. Armed with some basic contextual data it is to this topic of causation that we now turn.

## **CHAPTER FOUR**

### **NON-UNION FORMS OF EMPLOYEE REPRESENTATION:**

#### **AN EVALUATION OF MANAGERIAL MOTIVE**

The principal theme of this chapter relates to the managerial motivation and logic underpinning the introduction of NERs; this is a topic that has received scant attention even within the limited array of in-depth micro-level studies. In contrast to orthodox trade unionism, employee representation via the agency of these structures is generally initiated or suggested by management; the presence of NERs thus represents deliberate and purposeful managerial behaviour. So, why do management seek to utilise this mode of representation and what benefits do they seek? Furthermore, are the anticipated goals ultimately realised?

As noted in the previous chapter, advances have been made in recent years in theorising the links between the management of the employment relationship and various contextual factors. Within the relevant literatures the core components of corporate industrial relations policy are thus related to broader business goals – but what in practice is the theoretical nexus specifically between NERs and wider corporate strategy? This question is similarly afforded attention within this chapter.

A danger within this type of research is of slippage into a crude reification of the management function and an assumption of cross functional consistency. Hyman (1987:30) usefully reminds us that management is itself, like labour, a collective

labour process and, therefore, ‘internal coherence cannot be assumed *a priori*’. On a similar theme, specifically within the context of employee participation, Brannen *et al.* (1976:42) note that managerial philosophies or ‘frames of reference’ tend to be congruent with particular structural positions giving rise to variations in emphasis. Narrowing the focus still further to consultative structures, Marchington (1994:668) has similarly argued that:

Some managers or functions may be keen on developing a particular vision of consultation, whereas others – by accident or design - may be pursuing goals which directly undermine this orientation. In short, a lack of omniscience, omnipotence and cohesiveness within management may lead to complex rationales and practices both between functions and different levels in the hierarchy.

Is it, therefore, indeed possible to impute a consensus with regard to the managerial goals being pursued through these bodies, or is confusion and even contradiction the order of the day? Moreover, as highlighted by Glew *et al.* (1995:404), employee participation must be regarded as a ‘process’ rather than a ‘state’. Thus, while the goals of managerial actors may well be prioritised due to structural and/or hierarchical position, to what extent do they similarly evolve over time? This question is likewise considered.

As suggested within the introductory chapter, NERs must also be located within a discussion of the erosion of voluntarism within the UK system of industrial relations. Over the last decade a range of provisions have served to juridify a system that was formerly marked by significant legal abstentionism. There is a burgeoning range of areas in which an employer is required to consult with employees, or their representative agents, regardless of trade union representation. What use, therefore, do management make of such institutions to discharge their



increasing burden under the relevant legislation? The study is similarly positioned to consider this issue.

The chapter commences with a review of the literature germane to the topic. Here the major theoretical schools of thought pertinent to the managerial intentionality behind NERs are considered. Given the inadequate theoretical attention paid to non-union forms of representation by the academic community the discussion is informed by the wider literature on participation, in addition to the limited array of in-depth case studies specifically dealing with the NER phenomenon. The focus of these latter largely descriptive studies has generally been on worker outcomes and so they are again considered in the following chapter. Obliquely, however, these papers do provide some useful insights into managerial thinking which might be usefully abstracted for discussion. While the literature review serves to contextualise and locate the study, it similarly provides the intellectual underpinning for the presentation of the analytical framework that concludes the first section.

The body of the chapter contains an evaluation of the managerial goals underpinning the presence of the representative structures in each of the three study organisations. As will become evident, this is not reducible to any single ‘grand’ macro theory, but cuts across a range of motives - both defensive and more proactively formulated. In the final section the core themes of the discussion are reviewed and the rationale for both the variations and similarities in the managerial *raison d'être* are explored.

## 4.1 Insights from the Literature

As noted, the extant literature dealing directly with non-union forms of representation remains relatively meagre. Nevertheless by initially expanding the analysis to the wider topic of employee participation it is possible to posit a range of theoretical orientations as potentially driving managerial interest in the ‘social technology’ (Scholl, cited in Dachler and Wilpert, 1978:2) that NERs represent. These theories, or ‘vocabularies of participation’ (Brannen *et al.* 1976:29), are derived from distinctly different value systems and may be bracketed under three headings: (i) a managerial approach which following Delmotte (cited in Bolle De Bal, 1992: 614) may be termed *idyllic participation*, (ii) a *conflictual* model, and (iii) a *contingency* approach<sup>1</sup>.

### 4.1.1 Idyllic Participation

This essentially managerialist perspective is awarded the above sobriquet because employee participation is treated as wholly benign and unproblematic from both a managerial and workforce stance. It is both a technique and an overarching managerial philosophy; positive-sum outcomes are envisaged as areas of common interest between employers and employee are highlighted. This position, to which much column space is devoted within both the academic and the more prescriptive management journals, draws its inspiration from the human relations school; the central postulate is that both management and worker interests are served through participation. As Dachler and Wilpert (1978:8) observe, ‘increases in innovative behaviour and economic efficiency and productivity are seen as a correlate of individual and group development’. In a similar vein Argyris (1964) has argued that participation leads to greater self-actualisation and higher levels of

performance and hence the *integration* of individual and organisational needs. This intellectual tradition has spawned a mighty prescriptive literature replete with its own lexicon, subsequently resurrected under the participative management paradigm (cf. *The Human Side of Enterprise*, McGregor, 1960; *New Patterns of Management*, Likert, 1961; *Integrating the Individual and Organization*, Argyris, 1964). From within this perspective participation is eulogised as a core component of a new theory of organisation and management; a panacea capable of correcting a variety of corporate dilemmas and difficulties that arise from the ‘debilitating effects of traditionally designed organisations’ (Dachler and Wilpert, 1978:7).

Thus, for example, it has been argued that under the participation rubric:

Decisions no longer emanate from a centralised authority that single handedly redresses balance among conflicting interests.... The repeated generation of decisions through structures of participation and interest representation reproduces the legitimacy of the system even for those stakeholders whose interests may have been circumstantially harmed by a given decision. (Chakravarthy, 1998:443)

Much space within the specialist management literature has been devoted to an evaluation of the various espoused outcomes of ‘theory Y’ (McGregor, 1960) style management, including impacts upon employee performance, absenteeism, grievances and commitment (for useful meta-analyses: cf. Wagner and Gooding, 1987; Spector, 1986). Latterly of course these broad ideas have undergone a further renaissance and refinement under the contemporary rubric of human resource management (HRM). Phrases such as ‘job enrichment’ and ‘good communications’ have become *de rigueur* amongst ‘forward-looking’ organisations.

In sum, all these subtle variations on a theme incorporate the common notion that the apparatus of participation, in its broadest sense, including job enrichment,



participative styles of management, work group re-organisation, improved communications and, more germanely, joint consultation, have the potential to deliver a range of *both* individual and organisationally benign benefits.

Notwithstanding the presence of a vast body of work derived from within this paradigm there are crucial theoretical shortcomings inherent within the position.

Firstly, participation is characteristically treated as a loosely specified concept within which a myriad of managerial interventions are collapsed. As Dachler and Wilpert (1978:8) have argued,

it has never been clear what characteristics participatory social arrangements have (or should have) according to theories of human growth and development.

Such ambiguity clearly renders any empirical evaluation of espoused claims problematic. A more fundamental problem, however, lies in the uncritical acceptance of unitary theoretical presuppositions that underpin the idyllic orthodoxy – a position long since discarded as incongruent with organisational reality. Characteristically, with regard to the introduction of participative schemes, management is the primary actor with such initiatives implemented under the bidding of capital. Within the idyllic rubric, however, such phenomena are treated implicitly as non-aligned socially neutral interventions, the corollary being that participation is depicted as mutually advantageous, with attendant benefits accordingly accruing to both capital and labour. It is necessary merely to accept the truism that the employment relationship is at least partly distributive to expose fissures in such a position. By ignoring the potential for conflict within labour management relations, the idyllic position obscures the significant implications that

participation schemes may have, not simply for efficiency and productivity *per se*, but for the pattern of intra organisational social relations. This stance thus conceals the incorporative and manipulative functions that participation may potentially serve when imposed as a managerial tool. Grenier and Hogler (1991:314) make the point well:

The structure and power underlying participative processes is complex, ambiguous, and manipulable and far from bestowing meaningful authority on workers, such techniques *may* enable managers to maintain a relationship of dominance and control (emphasis added).

This is not to suggest that participation cannot give rise to attendant benefits to both capital and labour in certain settings and instances. Indeed, a ‘hard’ variant of the idyllic position is later introduced within the contingency approach, allowing for such an eventuality, but rather benign employee outcomes do not flow *ipso facto* from the very act of participation.

#### 4.1.2 The Conflictual Model

Over the last 20 years or so a body of more critical work emanating from an industrial sociology perspective has emerged questioning the underlying unitary and positive-sum assumptions of the above paradigm. Within the context of direct participation this has typically been articulated under the rubric of labour process theory (cf. Rees, 1996:19-22 for a concise meta-analysis). *Indirect* participation has attracted far less critical comment and this is largely associated with the work of Harvie Ramsay, whose ‘cycles’ thesis (Ramsay, 1977) was heavily informed by observations relating to representative and consultative modes of participation. Ramsay’s critique was founded upon Marxist premises about the nature of production relations in capitalist societies; thus in contradistinction to the unitary

assumptions underpinning the above managerially inspired literature, Ramsay takes as his point of departure the centrality of conflict and antagonism within the employment relationship.

Ramsay's work represented a critique of the emergent 'new era industrial relations thesis' that enjoyed a brief, but unfruitful vogue in the 1970s, whereby industrial democracy was viewed teleologically as a component of an evolutionary and deterministic process. Central to Ramsay's overtly historicist writings was the notion that management was most pre-disposed towards participatory mechanisms when its authority was under threat from below - the aim being 'to nullify pressures to change the status quo' (ibid, 1977:496). Managerial interest in participation was seen to be a function of historical conjunctures in the ongoing conflict between capital and labour giving rise to 'clear waves or cycles of interest' (Ramsay,1980:50), in response to working class resistance; 'interest' was seen to ebb once the managerial crisis had passed. For example, a discrete wave or cycle identified by Ramsay in his original 1977 paper was the mushrooming of joint consultative structures aimed at productivity improvements in the mid-to-late 1960s. These structures were dismissed by Ramsay as an incorporative means of countering the growth in informal shopfloor power. The thrust of Ramsay's critique was that all modes of managerially inspired participation were manifestly tendentious creations, 'presented as concessions by superordinates...of some real degree of influence over decisions to those classed as subordinates' (Ramsay, 1980:46), the ultimate purpose being to incorporate the workforce through a system of 'phantom participation',<sup>2</sup> i.e. 'a skilful con-trick' (ibid:49) - or more



poetically – ‘honeyed flypaper dangled out to capture the unwitting worker’ (Ramsay, 1993:79).

While highly influential, the cycles thesis is nevertheless readily vulnerable to assault at both an empirical and theoretical level.<sup>3</sup> The tone of the original paper is of data being used to illustrate theory rather than test propositions. Ultimately managerial motivation cannot be assumed or rejected on *a priori* philosophical grounds, but must be subjected to rigorous empirical analysis on a case-by-case basis. Ramsay’s empirical reliance upon time series data to track the apparent ‘cycles’, and secondary qualitative accounts, of varying rigour and merit, to impute a causal relationship is strongly suggestive of the former illustrative approach, undermining the validity of the conclusions reached. Indeed, in an overlooked passage Ramsay calls for further micro-level research to cast light upon a thesis that is ultimately conceded as being housed more within the realm of hypothesis than well grounded theory:<sup>4</sup>

It is important to recall that only secondary sources have been employed... Further research can greatly clarify the detailed processes at work, and so fill out the *gaunt skeleton of analysis offered here*. (Ramsay, 1977:496 and 498, emphasis added).

Similarly in the manner that idyllic participation is based upon unitary premises about the nature of the employment relationship, and is subsequently blind to any manipulative possibilities, Ramsay’s preoccupation with conflict results in an overly narrow focus on control issues.

Ramsay’s exposition has been subject to criticism; most notably by members of the UMIST industrial relations team (Ackers *et al.* 1992). Fundamentally Ramsay’s

attempt to impose a panoramic theoretical order on the managerial interest in participation is seen to be undermined by the renaissance of participation from the 1980s onwards, a period in which any 'threat from below' is broadly viewed as having dissipated.<sup>5</sup> At a more refined level of analysis the 'cycles' thesis is seen to oversimplify the employment relationship reducing it to one of an overriding desire by management to control workers more effectively. Drawing on work by Kelly (1985), Ackers *et al.* (1992:270) argue for the need to shift the focus from labour control *per se* to the full circuit of capital which will 'allow other business considerations such as product and labour market pressures a say of their own in the development of management strategy' - a theme developed in this chapter. As Nichols (cited in Hyman, 1987:34) has argued, 'the surplus value producing process cannot be reduced to the labour practices of management and the immediate issue of control of labour power'. Further developing this point, Ackers *et al.* (1992: 273) caution that Ramsay's position 'neglects the fact that labour resistance may be a negligible or constant factor while other external pressures - from technology [and] the product and labour market...may persuade management to experiment with (or abandon) participation'. It is thus argued that 'cycles' is 'resolutely industrial relations centred' (*ibid*), and hence of partial explanatory value.

Notwithstanding the vociferous nature of above critique, it would be wrong to suggest that the kernel of Ramsay's exposition is flawed in *all* cases. Indeed, as will be demonstrated, the introduction, or subsequent re-invigoration of participatory structures, may be tendentiously stimulated by a perceived external threat to managerial hegemony and prerogatives. As Ackers *et al.* (*ibid*:274) argue,

ultimately Ramsay's account is simply 'too narrow and partisan to serve as a useful *general* test for participation' (emphasis added).

#### 4.1.3 Contingency Approach

The above literatures represent competing conceptions of participation. They are based upon highly partisan frames of reference invoking the notion that managerial intent is based upon either progressive or reactive and defensive goals; hence it is contested that such a polarisation lacks the sensitivity to dissect the complexities of contemporary managerial intent. Moving the discussion forward, a more subtle formulation has been afforded by the UMIST team, elements of which have been alluded to above (cf. Ackers *et al.* 1992; Marchington *et al.* 1992). In an in-depth study of 25 separate organisations, two possessing NERs, the indeterminate nature of the functionality of participative structures is stressed, with managerial motive posited as a matter for empirical enquiry, rather than *a priori* meta-theoretical assumption. From within their resultant 'explanatory matrix' (Ackers *et al.* 1992:268), it is possible to abstract two dominant drivers behind participatory mechanisms. The first encapsulates elements of Ramsay's position, fulfilling his zero-sum expectations; participation is 'industrial relations' (ibid:277) centred, aimed at incorporating or bypassing unions, the underlying rationale being concerned with control issues. Alternatively the importance of 'market participation' (ibid:278) is stressed where 'economic pressures other than labour control and union avoidance considerations motivate participation' (ibid). In these settings influences such as the need for customer care in the service sector, or labour market problems (e.g. recruitment and retention), are viewed as pre-eminent. Here labour and product market pressures 'impact upon the human



resource problem without having to pass through the distorting lens of industrial relations problems' (ibid:278) – the goals are hence more apolitical.<sup>6</sup>

The UMIST team go on to describe specific scenarios in which participation is assumed by management to yield tangible benefits, shedding light on the logic of the latter approach. The environments depicted coalesce around areas in which the quality and efficiency of production is dependent markedly upon the constructive initiative, commitment and support of employees. This is captured, for example, in the above references to 'customer care' within the service sector. Ackers *et al.* (ibid) likewise provide the example of the invocation of a quality culture within a broader TQM manufacturing environment. Similarly, in such settings participation is viewed as an adjunct to loyalty and hence employee retention, facets that are again viewed as contributing to effective production or service delivery.

A feature of this position is that production and efficiency benefits are correlated *inter alia* with greater employee involvement. In this sense market participation may be viewed as a 'hard' variant of the idyllic position outlined above. Hard in the sense that while employee participation may deliver concomitant employee benefits, e.g. in the form employee satisfaction and retention, giving rise to positive-sum outcomes, such interventions are philosophically far from neutral. Any attendant employee benefits are ultimately epiphenomenal, as Ackers *et al.* (ibid:278) note:

The focus is openly on customer service or quality, and involvement and communications is a nakedly functional means to this end.

This contrasts with the inherent presuppositions of the ‘softer’ variant where positive-sum outcomes are viewed as necessarily a correlate of wider organisational benefits.

The above position, implicitly drawing its analytical inspiration from contingency theory, represents a useful counter to the ‘grand theory’ catalogued earlier. It complements a growing body of literature suggesting that management is a strategic actor synchronising HR policies to wider business goals (cf. Kochan, 1984; Arthur, 1992), although the extent to which such adjustments are genuinely strategic rather than tactical remains controversial (cf. Purcell, 1987; Purcell and Sisson, 1983).

A further advance over the ‘cycles’ model is that Ramsay served to conflate a range of techniques falling under the participation rubric (Ackers *et al.* 1992:271); an NER is clearly a very different beast to an employee suggestion scheme. While Ramsay was engaged in a search for a broad macro-level ‘grand theory’ of participation the UMIST team place the emphasis ‘on micro-level complexity’ (ibid:281). This facilitates some considerable untangling of both the participation construct and the managerial motivation behind specific techniques, such as NERs. It is noteworthy that within the settings presented the use of indirect participation in non-union organisations is restricted to situations where management is seeking to forestall the advent or return of union organisation; the bodies are, therefore, styled as surrogates for union based recognition (ibid:278). Although the authors caution that ‘union weakening or avoidance should not be assumed *a priori* to be management’s main motive’ (ibid: 278), no direct evidence is offered of NERs

being utilised within a strategy of ‘market participation’. The application of such a strategy is nevertheless a core theme developed in this chapter which similarly adopts a contingency approach.

#### 4.1.4 Single Case Studies.

Only a handful of scholars have embarked upon studies in which non-union representative structures have been the focal point of discussion. Within such research, self-evidently the questions that are asked about NERs and the answers sought, are shaped by the research agenda and the theoretical framework being utilised. Although these frameworks are not explicitly stated, the dominant position is broadly that which might be termed organisational democracy - the rights of employees to have some say in their working lives; the focus is, therefore, upon such structures as a means of advancing employee interests. Working out of this paradigm the thrust of the studies is inevitably on the comparative utility of NERs benchmarked against orthodox trade union representation. In view of the emphasis on worker outcomes the studies broach the issue of managerial motive from a somewhat tangential stance. Nevertheless, for the most part the studies are informative on the benefits sought and usefully build upon the insights of the more generic literature discussed above.

Approaching NERs from the standard position, the concern of Lloyd (2001) was the extent to which the company council at ‘Aeroparts’ - a manufacturer of civil aerospace systems - served to moderate the demand for union representation in a post de-recognition situation. Given the focus of the research, quite legitimately the discussion is framed within the theme of trade union mobilisation and the extent to



which the lack of effective non-union voice may act as a potential ‘trigger’ to unionisation. Despite the conventional focus, the author traces the natural history of the representative institution in sufficient detail to afford a fairly concise evaluation of managerial intent. The body was created directly following the de-recognition of the incumbent unions - the then AEEU and MSF, the author therefore positions this firmly as part of a ‘union substitution approach’ (ibid:318), the overriding aim being to pre-empt the return of union organisation. This scenario is clearly ‘industrial relations’ centred with control issues in and around job demarcation, job specification and overtime (ibid:319) offered by management as rationales for the creation of the council. Interestingly the employee mix comprised a range of skilled workers including engineers, technicians and electricians within an apparently tight labour market; although managers cited a greater identification with the business (ibid:319) flowing from the presence of the council, hinting at elements of ‘market participation’ (e.g. plausibly as an adjunct to employee retention), this point is not developed.

Recognising a lacuna in current research Gollan’s (2001) study of Eurotunnel ‘attempts to fill the gap...by raising a number of research questions’, including: ‘why do non-union organisations choose NERs as [a] human resource management strategy’, and relatedly: ‘what factors do organisations consider when choosing the type of NER strategy’ (ibid:377). The introduction is hence suggestive of a welcome re-balancing of academic interest. Notwithstanding the research aims, any rigorous attention to managerial motive evaporates beyond the preamble and the case study is largely devoid of any such analysis - all the more disappointing given the emphasis placed above on management *strategy*. Although some useful

theoretical ideas are explored (see below), the exposition is again essentially an account of the perceived effectiveness of the institution from an employee perspective with orthodox trade unionism positioned as the comparator, and preferred employee alternative. Nevertheless, the author does ultimately conclude that the company council represented a component of a union substitution strategy, however, there is an absence of data or analysis in the body of the report relating to the managerial position, and the reader is left to speculate as to the commercial advantage(s) sought.

Geoffrey Broad's (1994) longitudinal study of an NER in a Japanese transplant ('DenkiCo'), is likewise discussed with reference to the trade union problematic; in this instance the prognosis for union influence in an era where managerially imposed channels of communication and grievance handling are increasingly prevalent. There is an element of normative determinism as Broad traces the dynamics of consultation up to, and beyond, a union recognition watershed. The body is seen to metamorphose through a number of transient stages with trade union substitution, integration (combined trade union negotiation and consultation) and separation (consultation as a complement to collective bargaining) formats observed.

Usefully the author highlights a difference in emphasis as between the core managerial factions. As indicated, Broad initially conceptualises the institution as a crude union substitute to précis the original managerial motivation. Hence, it is noted that *British* managers believed that the company council was the best option towards the forestalling of union recognition, especially in the face of overtures

that were increasingly being made by the ‘militant TGWU’ (Broad, 1994:30). More subtly, however, it is argued that ‘the overtly human relations component of employee consultation in DenkiCo screened the intention to use participative management techniques as a mechanism to achieve long terms gains in worker flexibility, high productivity and quality’ (ibid:27). Hence, ‘for *Japanese* strategists, the company council was principally an ‘educational vehicle’, directed towards the structuring of employee attitudes’ (ibid, emphasis added).

This study may usefully be distinguished from the work of Lloyd and Gollan. In these latter studies the councils were positioned as direct union surrogates with the bodies ostensibly taking on functions such as wage negotiation. Within DenkiCo the initial role was not in any way to mimic trade union representation - the main constitutional aim was fundamentally integrational: ‘to exchange opinions of *common* interest’ (Broad, 1994:31, emphasis added), with the terms and conditions of employment likewise being unilaterally imposed. Ultimately, for Japanese managers the goals related to the engineering of a unitary ethos. As Broad (ibid: 27) observes:

Inspired mainly by Japanese senior staff a company council was set up in DenkiCo to provide a mechanism to rationalise the information and communication system directed towards the achievement of a ‘consensus culture’.

It is of note that all the above commentators describe the strategies documented as ‘union substitution’ (Broad, 1994:36; Gollan, 2001:339; Lloyd, 2001:318) and, therefore, collectively conflate quite different phenomena, resulting in a degree of conceptual confusion. In the latter two instances the term is used accurately, given that the managerial aim is to simulate pluralist industrial relations and the



collective bargaining format – albeit decisively on management’s own terms. The first instance, however, is manifestly inspired by unitary organisational goals. The purpose is not to de-activate any employee demand for independent external representation through the trappings of pluralist architecture; quite the contrary, the aim is to eschew the very notion of a legitimate divergent set of interests. Two core features of this model may be isolated. Firstly, the actual level of employee participation is of a very limited kind; heavy emphasis is placed on *top-down* communications as a means of avoiding misconceptions and explaining the cogency of managerial action. Secondly, given the desire to promote a culture of harmony and co-operation, the agenda of any discussions is deliberately steered away from serious matters of a distributive nature. The resultant outcome is an integrative format that seeks to neutralise the notion of organisational pluralism. Rather than substitution, this might more accurately be styled union *evasion* through employee ‘acculturation’ (Bolle De Bal, 1992:613), the managerial aim being the integration of the workforce into an enterprise culture; i.e. ‘the internalisation of the organisation’s objectives at the individual level’ (ibid). Such a broad distinction is similarly grasped by Gollan (2001:382-383):

One notion of a ‘substitute’ is that it serves in place of a union. It assumes employers create an alternative form of representation which employees will prefer to ‘union’ forms of representation. Alternatively, an entirely different notion is that alternative forms of employee representation make traditional union structures unnecessary, in the sense that they transform the employment relationship, with other high commitment practices, into a mutually productive relationship... This notion is based on the premise that employees do not desire or need a protective agency through traditional bargaining *per se* (since this emphasises the adversarial distributive element of the employment relationship) because their basic interests are satisfied. *In this approach the purpose of NERs is to encourage and foster an alignment of interests between employer and employees* (emphasis added).

Watling and Snook's (2001) study of 'SAGCo', another Japanese transplant, manufacturing a range of automotive components, is of note in that managerial motive is placed centre stage: 'the authors' primary data was intended to investigate if the management of SAGCo had intentionally or otherwise used the EC [employee works council] to promote *the* managerial agenda' (ibid:2, emphasis added). Unfortunately the nature of this *agenda* is not specifically stated, but the eschewal of union influence is an implicit goal; the employee works council being created following the de-recognition of the incumbent union that itself followed an acrimonious pay dispute.

The evidence presented is strongly suggestive of the body acting at the level of a sophisticated union substitute with many of the attendant trappings of pluralist collective bargaining in place. Thus, the council's competence extended to the *negotiation* of terms and conditions with the authors' noting of the constitution that it was 'worthy of any recognition agreement of the time' (ibid:6), with provision made for the ultimate referral of disputes to ACAS for conciliation and mediation. At the apex of the body's fortunes a 3 -8% pay increase is secured and similarly the agenda is extended to include broader issues such as the company's trading position. The authors go on to argue that: 'there appeared to be a genuine attempt by senior management to operate in a 'partnership' with the EC' (ibid:9). Ultimately, however, trading difficulties result in both a pay freeze and redundancies; events that betoken the demise of the institution, management ultimately proactively instigating a single union agreement 'under the shadow of the law' (ibid:10), in Autumn 2000. In sum, the SAGCo study appears to afford another example of a substitution model, albeit one additionally suffused with

elements of acculturation, manifest in a managerial desire to educate representatives regarding market imperatives.

For the purpose of completeness it should be noted that in addition to the above papers there are a variety of more sketchy and predominantly factual accounts available dealing with NERs, including the IDS series of studies (1989; 1994; 1999); Beaumont, (1987) and McLoughlin and Gourlay (1994). While their cursory treatment of motive does not warrant any detailed individual exposition, in a meta-analysis Terry (1999) points to a useful correlate, it being observed that the firms are characteristic in terms of size and activity of the unionised sector and that this inevitably ‘invites the argument that these company factory councils constitute explicitly or implicitly elements of union avoidance strategies’ (ibid:).<sup>7</sup> Relating this back to Ackers *et al*’s. (1992) modelling of ‘industrial relations’ and ‘market participation’, Terry’s analysis hence supports the former position as the core managerial driver.

#### 4.1.5 Literature Review - Summary

Before moving on, a brief recapitulation of the core analytical themes abstracted from the literature might be usefully employed as this will shape elements of the discussion that are to follow. Drawing on the wider generic literature on participation three broad managerial positions were identified. Of these idyllic participation in its ‘soft’ form, as depicted in much of the management literature, was dismissed as incongruous with organisational reality, given its positioning of *managerially* imposed participatory structures as somewhat benign *neutral* interventions. From a very different intellectual paradigm the conflictual model



derived from Ramsay's work was depicted as an advance, given that it served to re-centre the inherent tensions within the employment relationship. Nevertheless, it was again seen to be a highly partisan frame of reference invoking the notion that managerial intent is based upon *wholly* reactive and defensive goals. The essential problem with this account is not so much that it is wrong *tout court*, but rather given that it is an attempt to impose a panoramic theoretical consensus on managerial thinking, it ultimately lacks the refinement to penetrate the complexities of contemporary managerial intent.

The contingency perspective of Ackers *et al.* (1992) was offered as an advance on such cumbersome 'grand theory'. Founded implicitly upon the pluralist assumption that the employment relationship is built around conflictual *and* interdependent interests, this position was seen to demand an acceptance of the essentially indeterminate nature of the functionality of participatory structures - including NERs. It was further argued that any comprehension of industrial relations practices requires an understanding of business strategy and the links between strategy and IR policy.

Drawing on the data and analysis of the UMIST team it was possible to abstract two key drivers behind employee participation generically. The first of these was termed an 'industrial relations' centred approach, with goals coalescing around control issues; specifically the amelioration or continued subjugation of shopfloor power as a means of more effectively regulating and channelling employee demands. Conversely, the importance of 'market participation' was noted in situations where; (a) trade union issues are not a consideration and; (b) where

product and labour market pressures, such as the need for customer focus or retention of staff, are key considerations. It was noted that this mode of participation affords the potential for beneficial employee outcomes, although any attendant workforce benefits are subordinate to business goals. It was thus suggested that this could be further conceived as a hard variant of the idyllic format discussed earlier. This framework provided a rudimentary theoretical canvas for dealing with the more focussed descriptive case study data that in turn facilitated further refinements of our understanding. While generally this body of work has been primarily concerned with employee outcomes, the issue of managerial motivation could nevertheless be firmly tracked to industrial relations centred participation – i.e. union avoidance. Within these studies a subtle bifurcation in strategy was highlighted, however. Although commentators described the phenomena in blanket-like terms as ‘union substitution’; this was deemed to be an acceptable interpretation only in those situations where NERs mimicked orthodox pluralist trade union representation, i.e. those studies where the bodies purportedly engaged in negotiation or consultation over issues distributive in nature - in essence terms and conditions of employment. A quite distinct, crudely unitary phenomenon identified was one in which NERs are used as an attempt to structure employee attitudes and so foster an alignment of interests. Within this format an emphasis was placed on both employee ‘education’ and integrational (positive-sum), rather than distributional (zero-sum) issues, this was styled ‘evasion through acculturation’.

It is, therefore, possible from the detailed case study literature to sub-divide industrial relations participation into the above two broad categories of union

substitution, and evasion through employee acculturation. Similarly, drawing further on the work of the UMIST team one can – given a suitable context – hypothesise via extrapolation a third potential NER variant aimed at ‘market participation’, i.e. goals other than those relating to labour control and union issues. Ultimately, therefore, from within the extant literature we can locate three broad managerial goals as potentially underpinning the presence of NERs: trade union substitution, trade union evasion through acculturation and conversely market participation. Two are industrial relations centred – the other is derived from beyond this frame.

## 4.2 Analytical Framework

It is evident from aspects of the literature review that the concept of contingency affords the potential for an empirically driven inquiry into the causation of NER structures. In order to subject this contention to a critical examination, however, it is necessary to apply some additional theoretical architecture. If the notion of contingency is to be usefully developed beyond a narrow appraisal of each organisational setting *sui generis*, an attempt must be made to explore the presence of these structures through a generically applicable set of core contingencies.

It will be recalled from chapter 3 that the goal of the foregoing analysis is not to formally model the linkages between various structural determinants and the presence of non-union representation, but rather to explore the nexus to wider corporate strategy, i.e. the aim is to track the *perceived* complementarities between institutional preference and wider business priorities. With regard to industrial



relations participation one way of approaching the issue is to consider the outcomes that management might seek from non-union status through the lens of the alleged disadvantages of trade union representation, and then systematically track managerial concerns regarding such issues across the three case study organisations. Following Freeman and Medoff's (1984) modelling of the purported 'monopoly face' of trade unionism two main causal processes are suggested. The first element is the notion that unions have a monopoly power which allows them to raise wage levels and, therefore, production costs at the expense of above normal profit or rent. Hence, within the US the union impact on wage levels is one of the most cited managerial dissatisfactions (Kochan *et al.* 1986). An alternative but compatible interpretation is that as monopoly institutions unions can enforce contract provisions that place restrictions on tasks performed mediating organisational change and flexibility, lowering the productivity of labour and capital (Freeman and Medoff, 1984). Within a UK context the presence of such a managerial perception has been lent significant empirical support by Toner (cited in Flood and Toner, 1997).

Goals in and around the desire for market participation have less well enunciated theory to call upon. It follows from the earlier summary, however, that the logic of this mode of participation would appear to derive from what MacInnes (1985:107) terms 'the open endedness of the labour contract', and the concomitant need to engage employee and harness the 'tacit skills' (Marchington, 1990:12) of the workforce. As MacInnes (1985:107) has observed:

The transformation of the letter of the employment contract into the reality of efficient productivity depends on management securing the co-operation of the workforce and establishing the legitimacy of control in their eyes.

This is likely to be particularly important in instances where management cannot rely upon hierarchical control alone to deliver efficient production or service delivery. That is, situations where there is a need to generate employee 'buy-in' or consent to managerial authority, particularly acute within the types of context described by Ackers and his colleagues where there is a focus on 'quality' aspects of both production and service. Similarly within the locations depicted, the UMIST team refer to the ongoing need to retain employees, given that high levels of turnover impose a transaction cost impacting upon the efficiency of production/ service delivery.

These arguments taken together would imply that the key referents here are the nature of the production/service regime and labour market considerations. The need for more than merely compliant behaviour in certain settings may impose a perceived need for a collective body, not least via the legitimacy afforded to decisions arrived at via consensus. Similarly the ability of indirect modes of voice to mediate employee 'quits' or 'exit' has been afforded coverage by Freeman (1990). This suggests that a theoretical strategy that directs our attention to both labour market and labour process<sup>8</sup> considerations might be usefully employed here.

Although the above represent the core themes of the discussion a further influence that warrants exploration is the legislative dimension. Given the burgeoning range of areas in which both union and non-union organisations are required to consult with employees, most notably the redundancy provisions, it is plausible to suggest that this regulation affords an additional stimulant for the ongoing managerial support for such standing consultative bodies. Of course, in such instances the need

for consultation is imposed *de jure*. It could be argued, therefore, that the legislation represents an environmental ‘given’, rather than a true contingency differentially shaping managerial behaviour. It is contested, however, that this is a pertinent area of inquiry as management may choose to utilise the standing consultative body, or convene an *ad hoc* vehicle, hence an element of managerial agency is operative under the provisions of the legislation. The case study companies have all experienced recent redundancy episodes and adopted the former stance. An interesting question, therefore, relates to whether the use of a permanent consultative body in such instances additionally connects with the broad goals reviewed above, for instance via the legitimacy afforded via the scrutiny of a standing body - this issue is additionally considered.

Having reviewed the relevant literature and summarised the means by which the empirical data will be organised we finally turn to the task of evaluating the managerial intent in each of the three organisations. Initially the theme of union avoidance is afforded coverage. Firstly, the centrality of union evasion as a substantive managerial goal is evaluated. Drawing on elements of the above analytical framework we then return to the theme of contingency and explore the broader business goals that might inform managerial thinking focussing in particular upon issues appertaining to organisational change, flexibility, and wage control. To complete our analysis given that union avoidance through NERs was depicted as potentially being pursued via two principal routes, i.e. union substitution and employee acculturation, the orientation of the constituent councils within this dichotomy towards any strategy of union avoidance is explored. Within



the latter part of the chapter we again return to themes relating to market participation and the dynamic legislative context.

### **4.3 Union Avoidance**

#### **4.3.1 MediCo**

Chapter 3 outlined the organisational context of MediCo in some detail; more particularly the nature of the production regime was highlighted. It was observed that the representative body (the ECC) has jurisdiction over only plant grade workers - the majority of whom work on five (viaflex) production lines. Attention was given to the economic environment. As discussed, cost pressures and regulatory demands have impinged upon plant performance in recent years. Intra-organisational business rivalry was also seen to be intense, with European plants effectively competing with each other for corporate investment - and ever fearful of divestment. Corporate culture was likewise explored; this was seen to be suffused with a strong element of paternalism imbued from the US parent – a practice that typically seeks to increase the discretion of the employer (Morris and Smyth, (1994). Similarly in chapter 2, at a more generic level, reference was made to the well documented loathing of US MNCs to enter into trade union recognition agreements within their UK subsidiaries.

Drawing on the earlier discussions the above conjuncture of factors is suggestive *prima facie* of an industrial relations functionality; the institutional presence of the NER being driven by issues of control - the subjugation of potential shopfloor power through a strategy of union avoidance. Indeed, a cursory

examination of the genesis of the body reveals a manifestly defensively orientated lineage. As observed in chapter 3, the origins of the ECC may be traced back to the early 1970s and the introduction of the ‘Social Contract’ legislation of this era that sought to regularise the trade union recognition procedure. Under the revised legislation a union with substantial support in a workplace might obtain the right to recognition via a procedure operated through ACAS (Deakin and Morris, 2001:32).

This was of course simultaneously the historical zenith of trade union fortunes within the UK, and this period likewise witnessed the only major trade union recruitment drive on the plant, the details of which were ensconced in corporate folklore. The following account was a fairly standard offering:

I wasn’t actually here at the time but my Dad was. One pay deal many years back the shopfloor turned around and said: ‘no, sorry, we are not going to buy this’, and they said somebody, I don’t know who it was, called the union reps and they stood at the top of the road dishing out leaflets. That year they got the biggest rise they ever had. (Warehouse operative)

In view of the above constellation of factors, the inception of the ECC may with some confidence be tracked to a solidly founded Ramsayesque logic, i.e. a desire to maintain managerial prerogatives in the face of a perceived threat to managerial hegemony, such pressures emanating from an increasingly hostile outside industrial relations climate juxtaposed against a legislative shock.

Nearly thirty years on the domestic management remained strongly anti-union and nervous at the thought of union encroachment, notwithstanding the absence of any apparent immediate challenge. As firmly noted by the plant manager, an American expatriate: ‘one of the things MediCo want to do is maintain a union free

environment'. Such opposition was likewise detected by employees as demonstrated by the following characteristic comments:

They don't want unions in this firm; they have always said they don't want that. (Production operative, viaflex department)

I don't think that they would ever have a union in here, they would close the plant first. (Warehouse operative)

They don't want a union, they don't have unions in America do they? I mean 'John' [ex-plant manager] came over and couldn't believe that we talked about pay. He said in America they put it on the notice board; this is what you are getting, thank you very much. (Ex-ECC representative)

The corollary to the above was that management insecurity in and around the trade union issue was firmly identified by most employees as the prime driver behind the maintenance of the ECC. Such managerial anxiety was graphically illustrated during the discussions that took place prior to research access being granted. As noted in chapter 2, as part of the research project an employee questionnaire was drafted and passed to the HR director for approval. It became a formal condition of access that prior to dissemination a question that sought to gauge the level of union support was dropped. The reasons behind this nervous antipathy are explored below.

### *Non-Union Status: The Drive for Workplace Flexibility*

Within chapter 3 the wider parental organisational culture was delineated. A striking feature of this is the all-pervading level of paternalism, a practice that is classically viewed as being driven by anti-union sentiments (cf. Edwards, 1979; Freeman and Rogers, 1993). In keeping with the paternalistic ethos all Medico's US plants are non-union sites. Conversely, non-union status is not generally the



case within the plants across mainland Europe; the plant manager was candidly forthright in his account of the resultant benefits:

I think we are probably, I guess, the least union influenced [plant in Europe] and that is something that we want to keep because it gives us flexibility. We feel like that allows us to be flexible and you know we are competing against [MediCo plants in] countries that have labour rates of one fifth of what we pay here. So we need flexibility, we need to be able to bring in temps when we want; we need to be able to change job descriptions when we need to. We need flexible workers, flexible concepts and flexible hours - you know we need that flexibility in our opinion to remain competitive, and we really don't feel like we need other people telling us how to do it.

In a similar vein the HR director noted that:

MediCo as a corporation have [long pause] not an anti-union policy, but a belief that if you work together with your people you can actually move forward a lot faster than you can with something that is bureaucratic.

Even the most cursory textual analysis of the above passages would identify the drive for flexibility as the perceived principal benefit accruing from non-union status, one component of the purported monopoly face of trade unionism. The fear is that, via tight contractual provisions and the potential for industrial action, unions hinder the implementation of organisational change and flexibility, undermining productivity and performance.

This drive for flexibility must additionally be firmly located within the corporate context of parental investment and divestment decision making. The organisation is a major world player in the arena of pharmaceuticals and IV solutions. Given the solid market position business rivalries were seen to be intra - rather than extra - organisationally derived, a function of the corporate policy of sourcing IV solutions from a range of European satellite facilities. As the personnel manager noted: 'our [Medico UK's] biggest competitors are other [Medico] European locations, that is

our biggest worry in terms of rivals'. Within this context the plant's non-union status was unquestionably jealously guarded amongst the senior management team and seen as affording the UK facility with a competitive advantage over its European rivals. This was most eloquently relayed by the plant's European Works Council (EWC) representative, a junior manager (engineering supervisor) who had held the post since 1996. His exposure to the bureaucracy of pan-European discussions, where most other national delegates acted in accordance with union protocols, had served to confirm in his own mind the salience of the 'general unions as barriers to change and flexibility' thesis, articulated by his more senior colleagues. For example, a recent EWC gathering was recalled in the following terms:

The people [other EWC delegates] that came over would not make a decision on whether they would sign something on behalf of the workforce - they wanted to take that back to the workforce and have a vote on it. Now that seems to go against the reason that they are there, because they have already been voted on as representatives of these people, and they should be in a position to make a decision. Everything is done through a unionised structured sort of way - 'that is the way the union wants it done - and that is the way we do it', and nobody is going to digress from that. That must be a real barrier for them [European management] not to be able to push things through, or to move things forward in time quickly and to respond to initiatives, business initiatives or market pressures as it were...It seems to me that any unionised industry is not running as efficiently as it should be and this is because management are not allowed to put efficiencies in place because it is going to cost jobs or whatever. They can't just chop a line out because that would be a big issue with the union, you know, they would go on strike. Whereas here, if they [senior managers] decide to do it - they just do it.

Although concerns in and around flexibility and change informed managerial thinking, an interesting facet, particularly given the increasing focus on costs, was that no objections were articulated towards trade unionism on the basis of the alleged 'mark up', i.e. the notion that unions are associated with higher wage costs.



Wage talks will be given fuller coverage below, suffice to say that as part of the pay strategy management sought in any case to benchmark pay levels against the local manufacturing norm, which included a set of companies that maintained a strong union presence. The company aim to pay within the ‘upper third of the local pay league’ (2000 *Pay Review Document*), indeed documentation accompanying the annual pay talks demonstrated that the organisation was favourably positioned on a range of indices including: basic pay; overtime rates; shift premiums and bonus schemes.

In sum, with regard to the key contingency underpinning the ECC as a union avoidance tool it is evident that fears of inroads into flexibility and the knock-on effects on inward investment principally informed managerial thinking, rather than wage issues. This is not to say that non-union status was without benefits in relation to wage matters. Indeed, as will be demonstrated below, over short time horizons the absence of a credible check on prerogative has afforded management with the ability to make certain significant tactical adjustments to the plant’s cost posture that have proved politically beneficial vis-à-vis European operations. Over the long-term, however, the ongoing systematic benchmarking of wage levels against the locally collectively bargained norm, would tend to suggest a view that management are loath to take advantage of the absence of unions to reduce wages and benefits, given that this could potentially trigger the very demand for union services it seeks to eschew. This is a point developed further in the discussion.



### *Union Avoidance: Modus Operandi*

The above account has presented evidence locating the forestalling of unionisation as a factor underpinning the ongoing managerial support for the ECC, with the potentially negative impact of third party representation upon plant flexibility representing a key contingency informing managerial thinking. As identified within the literature review, however, the functionality of NERs within a broad policy of trade union avoidance is far from homogenous: two broad perspectives were modelled: ‘union substitution’ and ‘evasion through acculturation’. It became evident during the field work that the ECC was a vehicle very much positioned within the former approach. Nevertheless, particularly during pay talks (see below), there are similarly ideological forces at work redolent of aspects of acculturation.

With regard to substitution, as discussed in chapter 3, the ECC has evolved into an institution whose key remit is the purported negotiation of the annual pay settlement and various related terms and conditions. The prime subject matter is, therefore, distributive in nature and management were seen to go to great lengths to immerse the pay review process in the paraphernalia associated with collective bargaining, with planning, preparation and active negotiating stages evident. The process, therefore, comprises various elements drawn directly from models of trade union negotiating behaviour (cf. Warr, 1973: Magenau and Pruitt, 1979).

It is worth at this stage re-iterating Gollan’s point that the underlying logic of the substitution approach is that management create a representative alternative that employees will *prefer* to trade union forms of representation - but by what processes might such a preference emerge, or indeed be contrived, over and above

the importation of the paraphernalia of pluralism? The existing literature has little to say on this point; it is, therefore, worth exploring the substitution process in some detail. A significant facet of the MediCo study was the use made of the ECC as a theatre through which purported managerial compromise was engineered and broadcast, suggestive of employee ‘wins’, as a means of bolstering the body’s credibility, legitimacy and hence employee support. As discussed below, this was particularly evident during the pay review discussions where the process was similarly subtly intertwined with facets of acculturation.

### *The Dynamics of the Pay Review Process*

Pay reviews follow a fairly routine format comprising a series of meetings over a period of up to two weeks. The whole process is highly redolent of Scott’s (1994:81) ‘act of theatre’, where within his biscuit works (albeit unionised) case study, negotiation was perceived as a highly visible ‘stage managed’ event, with deliberations purposely prolonged by management ‘to make outcomes look as if they were the result of vigorous contest’ (ibid). At MediCo the drama is enhanced by the pay talks being convened at a neutral venue: typically the town’s premier hotel. The operation of the pay review comprises a number of sub-processes: an integral component being the ‘politics of investment’ (Lucio and Weston, 1994:113), whereby representatives are systematically reminded of investment competition between plants and the crucial importance attached to labour costs<sup>9</sup>. As will be demonstrated, ECC representatives are subject to such *real politik* in order that they deliver the desired managerial outcomes: reasonable pay demands. A further practice is the ostensible invocation of managerial concessions, again echoed in Scott’s study where managers routinely allowed shop stewards to

‘negotiate them up’ (Scott, 1994:81). One necessary condition for this pluralistic charade, however, is a malleable and quiescent set of representatives; as will be demonstrated such a configuration cannot be taken for granted.

*(a) The 1999 pay review*

The context of the 1999 pay round was one of looming financial crisis. The facility had been forced to close the department responsible for the manufacture of blood collection packs due to new regulatory requirements. While this loss of production culminated in 64 redundancies, the more onerous ongoing problem was the servicing of the sunken costs, i.e. the residual fixed overhead:

You take out all that volume [but] the building is still there, all of your insurances are still there. You are able to deal with the variable overhead - which, not wishing to make them sound like costs, are primarily people. But fixed overheads stay. We had a major task because that fixed overhead was going to go into everything else that was remaining, you did not need too much of a computer model to know that product cost was going to go way up. (HR director)

Developing this theme the plant accountant recalled that the closing of the department resulted in a \$2million ‘hole’, further noting that with 60% of output goes into continental Europe the cost crisis was additionally compounded by unfavourable exchange rates.

Two years previously a three year pay deal had been agreed with the ECC that provided for annual increases of 3.75%, a settlement increasingly viewed as untenable by plant level senior management in view of cost crisis. In spite of the then current budgetary pressures, the previous financial year had been strong, consequently a decision was made by the plant manager to pay the remaining



portion of the 3.75% increase as a one off lump sum payment (LSP), and charge it against the 1998/1999 fiscal year. Crucially, as far as European operations were concerned (in purely accounting terms), this would have the favourable impact of effectively freezing labour costs - a significant component at 35% of total product cost, partly assuaging the burden of the residual fixed overhead. Consequently, it is evident that notwithstanding the convening of extraordinary pay talks, the decision to impose a one off LSP had already been taken. The plant accountant candidly recalled details of the initial briefing to the senior management team:

He [the plant manager] actually said it wasn't an option, *it was something that he was going to impose*. But having said that, he imposed it by giving everybody the background of why he was going to do it. He didn't say I am going to do this [clicks fingers], he got everybody on the board in the room... Now to the extent of saying you've got no choice that was true, but I would think that if everybody was listening to the message he was imparting it made kind of sense.

As Marchington (1980:155) advises when seeking to examine the extent of employee participation in management decision making it is crucial that the researcher be able to locate the point at which decisions are *actually* made, rather than formally taken. The above account, from a member of the inner cabinet, is therefore significant in confirming that the impending consultation had been reduced to an act of 'non-participation' (ibid).

An important contextual point relating to the build up to the talks was that something of a *coup d'état* had occurred within the ECC; the incumbent chair was perceived as too moderate amongst certain group members and was pressed to stand down. Consequently, notwithstanding intense managerial efforts to sell the pay deal the replacement chair, and some of the more vocal representatives, refused

to accept what was on offer given that the issue had attracted significant employee rancour because: (a) although in practice employees would be paid the same annual amount via the lump sum, cumulatively they would lose out in years to come as there would be no increase on basic pay; and (b), there would be a long-term impact on pension provision. At this stage management increased the size of the LSP, but influential members of the ECC failed to respond to the concession, the new chair in particular strongly questioning management's interpretation of the situation.

In view of the failure to get ratification management chose to by-pass the representative machinery, putting their case directly to employees in a series of departmental meetings. In the final event something of a straw poll was conducted by the representatives at the behest of management, demonstrating that the managerial message had got home with most employees being prepared to accept the LSP. The finalé to the pay talks, however, was the resignation of the chair and several representatives - their number plunging at one stage to just three delegates.

#### *(b) The 2000 pay review*

In contrast to 1999, the 2000 pay round was held in more auspicious circumstances. During the interim period a business development manager had been recruited with both diversification and increased sales of the core product range resulting in an improved financial performance. Consequently heavy inroads had been made into alleviating the burden of the residual fixed overhead. The 64 redundancies had started to fade from memory, and in the summer of 2000 the enhanced financial position had resulted in a record production bonus (£600) being paid to plant grade

employees. This was lauded by management as being a direct result of the LSP that had created a 'favourable financial variation', and was advanced as a post hoc justification for the effective wage freeze. The ECC team had likewise undergone something of a metamorphosis; although resignations had seen the numbers initially plummet from 12 to just three, a quorum of six was present by the time of the pay talks. The effect of the resignations had served not only to reduce the total numbers, but also to leave a more receptive residual group of representatives, the present incumbents being variously acclaimed by management as 'in-control and mature' (plant manager), and 'pretty keen, pretty balanced - effective people' (personnel manager). Overall such a benign set of circumstances clearly presaged a more economically favourable backdrop to the 2000 pay talks than that which had accompanied the previous pay review.

Interviews with representatives and management, along with an analysis of minutes and other documentary data, suggests that the theatrical dimension to negotiation followed the accustomed format with meetings taking place at a local hotel. The data demonstrates the extent to which the initial process of attitudinal structuring via the invocation of the 'politics of investment' had become an increasingly sophisticated exercise, the previous pay debacle being uppermost in the mind of the management team; as the personnel manager admitted: 'we were a lot better prepared this year than we have ever been that I can remember'. One slide warrants reproducing in full:



**Figure 2. 2000 MediCo Pay Review: Managerial Presentation**

THE PRICE IN THE MARKET PLACE AT THIS TIME IS EXTREME AND WE HAVE LOST BUSINESS AS A RESULT OF OUR PRICE BEING TOO HIGH. THE CUSTOMER OWES MEDICO NOTHING IN THE WAY OF LOYALTY IF OUR PRICE IS TOO HIGH.

WE HAVE ALREADY SEEN TWO EXAMPLES OF WHAT CAN HAPPEN IF ORGANISATIONS FAIL TO IMPROVE THEIR COST EFFECTIVENESS; OUTSIDE OF MEDICO, BUT JUST ACROSS THE ROAD, WE HAVE SEEN ‘FLASKCO’ MOVE ITS MANUFACTURING OPERATION TO CHINA. INSIDE MEDICO WE HAVE ALL HEARD OF THE ANNOUNCED CLOSURE OF THE MEDICO MANUFACTURING OPERATION IN VALENCIA. WE ARE FORTUNATE THAT WE WILL PICK UP SOME OF THE PRODUCTION VOLUME BUT IT COULD SO EASILY HAVE BEEN THE OTHER WAY ROUND

**LABOUR RATE COMPARISON**

MALTA	\$8.57/HOUR
IRELAND	\$11.81/HOUR
SPAIN	\$12.25/HOUR
UK	\$14.36/HOUR

JUST ON THESE NUMBERS, WHERE WOULD YOU MANUFACTURE?

In addition to a comprehensive focus on the *real politik* of investment imperatives, representatives were also subject to a barrage of data including: plant financial ‘variation to budget’; a local pay review (positioning the company within the upper third of the pay league); a reminder of the total reward package (the paternalistic nature of which was explored in chapter 3), and a length of service profile used as evidence to support the relative munificence of current benefits.

Following this initial phase the actual posturing started on the morning of the second day of talks with management offering a 2.5% increase. As there had been no hourly wage increase for two years there was a feeling amongst the ECC group that a restoration of the *status quo ante* would require an increase of the order of 9%, nevertheless in practice a suitably moderate counter claim of 5.25% was

lodged. There was a degree of ‘to and froing’ with management responding with a revised offer of a 3% increase, this in turn spawned a counter ECC bid of 3.5% accepted by management after an over night adjournment. Despite the outward appearance of a negotiation process, interviews with both sets of actors revealed that any concessions were more apparent than real – the following examples demonstrate the point:

It [payroll] is a big area of expense to control. So it would be silly of me to say that we obviously don’t control that in terms of our budgetary constraints, and therefore the presentations that we give are very much orientated towards what we are committed to in our budgetary process, and they [the ECC] understand that. So to that extent we – ‘David’- [the HR Director] does a splendid job. I have to say that he negotiates with a very small ‘n’ around those parameters...But I think negotiation, as I would have understood it from my first incarnation at Philips - then no. (Plant accountant)

Going into the pay talks it wasn’t basically what we were going to get, it was getting up to what they were prepared to give us... Talking to them afterwards they gave the impression that, you know, we got more than they were actually going to give us, but that’s management talking and they possibly want to make us feel good. (ECC chair)

To sum up, the above depiction provides a graphic account of an NER being utilised as a sophisticated trade union substitute, a central facet being the orchestration of wage bargaining engineered to suggest the presence of a competent and independent employee forum. A striking feature is the parallel to Ramsay’s notion of phantom or pseudo participation with management going to great lengths to construct the facade of tangible influence, when in reality any notion of employee empowerment is largely illusory - particularly evident in the 1999 pay talks when ultimately a non-compliant body was side-stepped by management. In Ramsay’s (1983:215) terms, the managerial aim is clearly to ‘sustain and reinforce management’s position, not to transform relations to a new



basis'. Acculturation is similarly a sub-component of this process, imbued via the heavy and systematic provision of business metrics, suggestive of the need for a community of purpose in the perennial drive for plant viability.

While the body is brought closely into the pay review process, it is nevertheless evident that the key contingency underpinning the desire for non-union status is concern in and around workplace flexibility. Wage levels are ultimately benchmarked against local firms, some of which maintain a strong union presence, there is consequently minimal opportunity to pursue the potential for a non-union incentive via this particular route. At best the absence of a union facilitates tactical short-term adjustments, as indicated by the lump sum payment incident, rather than the ability to impose a pay strategy without reference to wider exogenous influence. In the final analysis, however, the paraphernalia of the substitution process requires not insignificant resourcing, and as demonstrated, the acquiescence of representative agents cannot be taken for granted. An intriguing question, therefore, relates to what this *tour de force* contributes to union avoidance over and above the strategy of paternalism in which it is embedded - this is a theme to which we will return later in the thesis.

#### 4.3.2 FinanceCo

The banking sector is of note in that, in contrast to the economy in general, trade union density has remained at impressive levels, hovering around the 50% mark throughout the mid-1990s (Gall, 2001:359). Likewise finance workers have of late shed their image of being 'strike free' and 'docile' (ibid); indeed the period of the early 1990s (to 1997) was one in which 'strike action began to become an



acceptable currency amongst union members', and a more 'normal' part of the industrial relations landscape within banking (ibid). Such increased tension is related to the heightened competition within the sector depicted in chapter 3, and a more 'hard nosed' managerial approach to industrial relations (Storey *et al.*, 1998:150). Inevitably the genesis of the FinanceCo partners' council in 1992 must remain a matter of conjecture. Nevertheless, the evidence hints strongly at a managerial team looking nervously over their shoulder to the wider sector where a traditionally compliant workforce had become more belligerent under the tutelage of the increasingly militant banking unions. Indeed, accounts of longer serving employees indicated a very tight coupling of cause and effect, and the following comments are instructive:

It [partners' council] started off I would say as a rear guard action, there was a very strident BIFU interest in FinanceCo and the then chief executive was keen that we didn't have a massive union presence. There were some people that started to get quite turned on by the idea of having union representation. There were others who felt it would become restrictive and tie us up in red tape, and so I think that the organisation took the decision to create a partners' council which was put in place with some level of scepticism. I remember receiving BIFU type leaflets and literature, and BIFU had a pretty active South-West office, and then suddenly PC was born. (Head of Eastern retail)

It [the rationale] was probably trade union avoidance to start with, we have not had trade union recognition here and a number of years back there was a growing feeling that there ought to be some union in place. (Systems programmer)

This clearly hints at representative participation being 'industrial relations' focussed, akin to Ramsay's position with control issues to the fore. A core facet of Ramsay's exposition was the dynamic or cyclical nature of participatory mechanisms - managerial interest was seen to wane and subsequently re-emerge in response to threats to managerial authority (Ramsay, 1977:496) the aim being to

‘nullify pressures to change the status quo’ (ibid). Threats to managerial hegemony can clearly emanate from a myriad of directions - the state included; in this sense the timing of the research was opportune in coinciding with the introduction of the Employment Relations Act 1999, that *inter alia* introduced a formula for trade union recognition. Under the cycles thesis, such a macro-level change is precisely the kind that would be expected to presage a renewed interest at the micro-level in managerially sponsored incorporative solutions; indeed, as will be discussed below, a striking facet of the study was the impact that the legislative shock had upon the company’s interest in, and policy towards, the council.

### *The Dynamics of Union Evasion*

Throughout the 1990s the then banking union BIFU had waged a concerted recruitment campaign; based on purportedly leaked information, the bank viewed themselves as prime targets for the TUC’s Organising Academy (*Team Brief*). Latterly UNIFI activity had been particularly concerted during the 1999 branch closure programme. The head of group HR recollected these events thus:

Over the last 10 years BIFU, or UNIFI as they are now, have been trying to get collective representation within FinanceCo and we have always said no because we wanted to involve all the staff directly, rather than have a body to negotiate that only represents a small minority of staff. About 2 years ago they picketed our buildings and got hold of our fax machine numbers going for recognition, basically they were trying to whip up anti-FinanceCo feeling for about 5 months.

Managerial concerns were amplified by the recognition legislation juxtaposed against the move to a multi-divisional corporate format. The re-structuring of the organisation was widely viewed as rendering the company exposed to a recognition claim within a particular division. In early 2000, as a direct response, the company



decided to conduct a poll on its own terms, without trade union access, to gauge the level of union support - the ballot was independently facilitated by the IPA.

Employees were asked to vote for their preferred representative model from a choice of three options: continuing representation via the partners' council; trade union recognition, or representation via a modified council with a broadened remit (detail of the ballot document is presented at Appendix 4). The hazardous nature of such a pre-emptive strike was not lost on the senior management team given that such a ballot, if supportive of trade union representation, could under the legislation be held out as *prima facie* evidence of 'reasonable [trade union] support' and so potentially trigger the need for a further poll under the auspices of the Central Arbitration Committee (CAC):

Certainly myself and our MD were very unsure about it and spent quite a few weeks deciding whether to sign it [the ballot] off or not... So yes, there was a lot of soul [searching], there was about a week of how the hell is this going to go. (Head of group HR)

In the final event the most popular option (46%), was that of an extended remit for the existing PC. The management team inevitably utilised the ballot internally to legitimise the in-house representative approach with the results widely publicised. Nevertheless, there was now an incumbent need to broaden the remit of the institution, particularly given that a significant minority (32%), had voted for trade union recognition. In response a document entitled *A New Approach to Staff Representation and Involvement* was tabled in October 2000 which did translate into a degree of internal change to both personnel and procedure. Firstly, an earlier model of regional councils was re-designed to reflect the multi-divisional format of the company, and to better co-ordinate these a new role of full-time PC representative was created. In addition to acting in an administrative capacity, the



incumbent was granted a permanent seat on the new group organisational development policy forum (GODPF) - a body charged with the task of approving group wide HR policy change. Furthermore, commitments were made regarding the competence of the various constituent elements of the representative model. Consequently, a pledge was entered into that in future consultation would take place at an early stage on 'sensitive issues', and likewise that discussions would become more focussed, with the distribution of money within the pay round a core agenda item.

In sum, the above account demonstrates a clear linearity between a legislative shock and a micro-level adjustment; essentially an attempt to forestall change via the introduction of a best practice consultative model.

### *Non-Union Status: Issues of Pay Flexibility and the Insulation of Corporate Culture*

The above data lends credence to the use of the PC within an overall drive for a union free environment,<sup>10</sup> but how are we to conceive of this in relation to wider business priorities? Again we return to the contingencies modelled earlier in relation to the monopoly face of unionism; issues in and around organisational change, flexibility and the union mark-up. A number of points need noting here. Firstly, echoing the position at MediCo, senior managers expressed concern that any union presence would act as an impediment to change. The following was a characteristic comment:

Unions have a bad name, having seen to be doing a good job they moved to standing in the way of progress, and I think there is a bit of that, just having the title union tends to leave a bad taste in the mouth. I have negative views

about them. It is something external, we would have less control and we don't want to be associated with things like strikes. (Head of HR shared services)

In contrast to Medico, however, the notion of pay was a further directly espoused referent, as the head of group HR noted:

Our parent company have a union and negotiate with a union. Our view is that if a union came in they would only be representing a very small proportion of people - why should a union drive our pay for what is a very small percentage of the organisation? We are not in a position, I don't think, where the input of a union would improve our financial position.

In one respect such a reference to pay was surprising. Given that pay *levels* are closely benchmarked against competitors within an industry where unions maintain a significant presence (Gall, 1997:226), *de facto* the quantum of pay is indirectly 'driven' by, or at least pegged to wider collective agreements. In this context the position again echoes MediCo, except that in the latter instance it is the local rather than the sectoral picture that is the comparator. FinanceCo *is* distinct, however, in that in common with the sector in general, pay was being used in a much more sophisticated and creative manner to complement an increasingly performance orientated market driven culture. Thus, recent years had witnessed the introduction of broad banding, contingent pay through performance appraisal and changes to profit related pay. Given that this more business orientated approach to pay policy has resulted in industrial action in the wider sector (cf. Gall, 1997:224; Gall, 2001:358), a plausible interpretation is that the essence of any concern relates to the maintenance of control over the reward strategy rather than issues appertaining to pay levels. Thus, in terms of our dichotomy of contingencies it is suggested again that the drive for non-union status was less centrally concerned with

perceptions of a union mark-up, than with the notion of unions as barriers to change, in this instance towards a flexible strategy of market driven compensation.

Although issues appertaining to flexibility and organisational change were clearly influencing managerial thinking, there is a necessity in this instance to move beyond a narrow economically defined logic to fully understand the presence of the partners' council. Over and above such concerns there were hints that the presence of trade union representation would be unwelcome due to the perceived confrontational nature of the major banking unions, something deemed as anathema to corporate culture. Disquiet at such potential ideological contamination had its genesis in the branch closure programme of the mid-to-late 1990s when BIFU had embarked on a robust recruitment drive. As indicated, this had involved both picketing of the headquarters, and direct approaches to the workforce via facsimile that sought to 'whip up anti FinanceCo feeling'. The union had again been active more recently. This may be tracked to a decision by the parent company, EireCo, to engage in discussions with a view to merging FinanceCo with another finance house. In the final event the move did not get beyond exploratory talks. However, BIFU had again used such speculation as a springboard for a further recruitment drive; the outcome was widespread distaste at what were perceived as crude attempts to make political capital out of the incident. As one senior manager noted:

The management perspective is that we want to engage with our own people. We want to hear it from employees directly, not from somebody who interprets what they say. The way I would illustrate this is that when the merger thing came out, EireCo made a statement that they were in discussions. That was quite a nervy moment for the people in this business. But if you take the BIFU rep, she stood on the pavement making a nice little statement [to the press] about the adverse impact this would have for



FinanceCo employees, but the trade union weren't even in the building and they had no basis on which to comment, but they are so quick to judge. (Head of Eastern retail)

In sum, taken together the above data sets usefully build upon the MediCo study.

Again an evident contingency driving the policy of union evasion relates to issues in and around organisational change and flexibility. Nevertheless, over and above these standard concerns, in this instance issues of ideology similarly serve to colour managerial thinking.

### *Union Avoidance: The Hybridised Nature of the PC*

Earlier in the chapter the role of NERs within two broad strategies of union avoidance was modelled. MediCo was seen to be skewed predominantly towards union substitution, although acculturation was evident as a sub-process within wage discussion. Drawing on the terms of reference and profiles of the councils catalogued in chapter 3, the position at FinanceCo may clearly be distinguished in a number of key respects. Unlike the position at MediCo there is no cut-off point at supervisory level; constitutionally the FinanceCo PC represents all employees up to, but not including, board level. A striking aspect is hence the inclusive nature of the representative model. A resultant feature of the gatherings is, therefore, the absence of the oppositional 'in' and 'out' groupings evident at MediCo. In addition to its inclusivity the circumscribed formal level of competence is similarly noteworthy as it does not extend beyond 'meaningful consultation', i.e. the seeking of and taking account of PC views in the decision making process (*Partners' Council Charter*). More importantly such consultation broadly steers clear of potentially divisive areas. While within the context of MediCo zero-sum distributive bargaining over wages and related terms and conditions is the essence

of the key subject matter, under the terms of reference of the FinanceCo PC integrational issues (i.e. ‘areas of common concern’, Walton and McKersie, 1965:5) are at the forefront. To be sure, it is not possible to expunge totally all potentially pernicious topics from the agenda, but where these do surface management has customarily sought to place the emphasis upon implementation and procedure. For example, within the annual pay review the PC has traditionally not been concerned with the quantum of money available, but issues such as the performance management system. Likewise, within the recent corporate restructuring the remit of the body was not related to the substantive decision to restructure, but various implementation issues. It is clear that wherever possible management have sought to deem the more antagonistic or discordant areas as *ultra vires* to the body’s term of reference redolent of an approach to union avoidance akin to ‘acculturation’, i.e. the neutralisation of the notion of a plurality of organisational interests.

The two routes to union avoidance were originally depicted as mutually exclusive. However, building upon the MediCo data, this study further serves to emphasise that reality is far more complex. An interesting facet was the dynamic and evolving nature of the body with modifications being made to the representative format, ultimately in response to the recognition legislation. As noted, a range of changes to the remit of the PC were introduced following the resultant poll in 2000, given that the employee preference, sold strongly on a managerial manifesto, was the enhancement of the PC’s terms of reference. Such an envisaged expansion specifically referred to the broadening of the remit of the partners’ council to include an enhanced role in consultation on issues such as pay and pay systems. In

sum, it is evident that recent statutory intervention is serving to move the representative model incrementally towards a hybridised approach where elements of both acculturation *and* substitution are in evidence.

#### 4.3.3 FridgeCo

In chapter 3 the organisational setting of FridgeCo was plotted. Unique amongst our case study organisations the creation of the representative body followed the de-recognition of an incumbent trade union, the then AEU. Again this is suggestive *prima facie* of an ‘industrial relations’ centred rationality forming some component of managerial thinking; in this instance a participative structure fashioned to pre-empt the return of union organisation as similarly depicted in the studies by Lloyd (2001) and Watling and Snook (2001). This much having been said, the accounts of employees suggested that trade union support and membership were partial; by an ex-shop steward’s own admission membership previously had hovered somewhere between 20 and 30%. Questions relating to de-recognition addressed to the shopfloor were consequently largely met with indifference and indeed, at times hostility was expressed towards the union. It was a common place to suggest that the body had pursued a narrow sectional agenda benefiting the higher grades from whence the active membership had largely been drawn. Long serving employees talked of the union’s unhealthy relationship with the company founders feeding into moderate demands and sought after jobs being awarded on patronage. The following account was fairly standard:

It [lack of trade union support] goes back a lot of years, a lot of years. I have been here since 68’ and I personally, and quite a few of the guys I have known most of my life, always felt that the founders were hand in glove with the union – management and union, there was too much of a cosy



relationship. I don't know it just stunk. I think they [the trade union] were bought off, but that's another matter. (Skilled worker, commercial goods)

Although the passage of time prevents the substantiation of such claims it is clear that the union was widely viewed as an ineffectual vehicle for employee demands. Certainly the remaining shop stewards bemoaned the loss of union recognition; however, the wider mood was largely one of indifference. In any event the whole de-recognition process appears to have represented a relatively bloodless coup for the new management team

Despite depictions of a somewhat 'cosy' relationship, the mood amongst employees was that the company council had, nevertheless, largely been created out of a desire by the incumbent management team to appease any demands for external employee representation. As one of the former ex-shop stewards recalled:

My honest opinion is that they [management] don't want outside bodies having an interest in FridgeCo, whereas before we always had outside bodies and the union would come in and talk. But the [new] personnel manager was against you as soon as you walked in the door. He came into a meeting with the union district secretary and said that he wasn't interested and straight away they were at loggerheads. Then they came up with the company council.

As will be discussed, interviews with the principal managerial actors exposed clear differences of emphasis with regard to the purpose of the company council.

However, if managerial accounts lacked consistency, it was evident that, as at both MediCo and FinanceCo, union evasion did indeed form some component of the milieu of motive; the contingencies driving union avoidance are indicated below.

*Non-Union Status: The Imperative for Organisational Change and Cost Control*

Outwardly the de-recognition of a weak trade union followed by the creation of a managerially sponsored body appears crudely opportunistic, especially given the wholesale changes to the manufacturing regime that were to follow. As discussed in chapter 3, these included the move from a flow-line format to cellular production, redundancies and the introduction of shift working. Similarly, the timing of the research coincided with the fifth year of an effective wage freeze. In terms of the contingency model outlined earlier, therefore, there are some interesting facets that warrant consideration. Firstly, in line with both MediCo and FridgeCo, the notion of unions as barriers to change informed managerial thinking, notwithstanding overtones of incorporation. Although the union was widely perceived as relatively impotent, the radical production transformation was unquestionably eased by the removal of any potential challenge from an independent representative body. Indeed, the personnel manager was candidly forthright in observing that ‘trade union involvement would not be welcome at the present time’, conceding that the utility of the council was founded in its perceived ability to diffuse residual employee demands for external collective representation.

The absence of trade union representation, however, had emergent benefits beyond that of furthering the ability of management to initiate changes to the production regime unimpeded. It is important to note that the change in production strategy was beset with an array of problems including increased ‘down-time’, due to commissioning problems, and a poorly received product launch. Consequently by the time of the research the company was losing money on a month-by-month

basis. In response to such pressures a rigorous cost cutting exercise was in place.

As the personnel manger noted:

We have done everything that we can to make savings and stream line the organisation. We have recouped some of the losses and it is down to careful management: tightening the belt, controlling spend, controlling overtime, controlling temporaries, making redundancies which reduced our payroll – trimming wherever possible.

In view of the ongoing cost pressures it is conjectured that, unique amongst our three case study organisations, FridgeCo was implicitly following a low-wage policy as part of such ‘belt tightening’. Although the desire for non-union status was initially driven by concerns regarding flexibility, a further unavoidable interpretation is that wage issues were figuring increasingly prominently with management pursuant of a non-union incentive via this particular route.

#### *Union Avoidance: Twin Track Substitution and Acculturation*

It is evident from the foregoing account that the company council was perceived as performing a role within the company’s desire for the maintenance of non-union status. Although in one sense the council conformed fairly tightly to the substitution model, there were strong overtones similarly of acculturation. Within the former context the standard trappings of dilute pluralism were in place. Hence, while the remit of the council did not extend beyond consultation, the scope of issues nevertheless borrowed from the former collective bargaining agenda, covering terms and conditions of employment; training and development; working conditions and employment policy rules and procedures. An interesting finding, however, was the extent to which the company council was similarly imbued with a heavy educative tenor. The first 25 minutes or so of the monthly meetings would



be taken up with the positioning of extensive information on company performance. The range of metrics was impressively encompassing with data provided on a range of financial, production and HR indices including: profit and loss; turnover; market share; downtime; employee turnover, and absence. The following is a characteristic extract from the minutes:

**Company Performance:** It was reported that sales in January were £3,241,000 making a total of £27,624,000 for the financial year so far. Our losses for the financial year are £392,000. Although this figure is below plan it is an improvement on the previous year.

**Sales and Marketing:** ‘Ian Jones’ gave a presentation to the council on the current state of the refrigeration market. Many areas of the market are lower in volume this year. FridgeCo’s overall share of the market has dropped to 10.8%. While technical products are maintaining their volume, the new product range has only achieved 20% of plan. Reasons for poor performance were given. We have recently dropped the prices on a large number of products in order to move our stock, and it is unlikely that we will get these prices back up. UK Sales is short of four members of its staff, and recruiting is taking place.

This hints at a desire to manufacture a closer identification with the company, both by imbuing employees with managerial definitions of success – budget to plan, turnover and market share etc - and similarly through a heightened awareness of the economic pressures facing the organisation. There are certain notable affinities, therefore, to Broad’s (1994) study of DenkiCo where the council ‘was principally an educational vehicle directed towards structuring employee attitudes’ (ibid:27).

The extent to which this was originally conceived in such terms, however, is uncertain. As will be demonstrated within the following section, such encompassing information provision arose originally out of a desire by the production director to utilise the body as a high involvement tool, with extensive information provision perceived as dovetailing into a TQM culture. Nevertheless, by the time of the research the more receptive representatives were being cultivated

to enlist shopfloor co-operation regarding the economic problems the organisation faced. As one delegate noted:

What we are trying to do is smooth things over. Trying to placate the people on the shopfloor and getting them to face reality. That is if they want a job this is unfortunately the way we have to go at the moment.

This is again reminiscent of DenkiCo where such communication was directed towards the engineering of a 'consensus culture' with representatives positioned by management as intermediaries, the goal being to underwrite the cogency of managerial action. The contribution of this twin-track approach to the organisation's continued non union status is a theme to which we will return.

To briefly review the above study it is evident that the data usefully builds upon that presented within the other two settings. In common with the previous studies the notion of union avoidance was evident. A point of departure, however, was that the presence of the company council as a component of a union avoidance strategy was tracked to *both* the classically purported managerial advantages of a union free environment. As within the other studies the perception of unions as impediments to change surfaced; it was far from coincidental that the removal of the union and subsequent creation of the council format was followed by wholesale transformation of the production regime. It was evident that latterly, however, in response to financial pressures, a cost containment strategy was in place, manifest in an effective five year wage freeze. In contrast to the other study organisations, therefore, it is suggested that management was taking advantage of trade union absence to pursue a non-union incentive via a low wage strategy.

#### **4.4 Market Participation**

To date the chapter has examined the presence of the constituent NERs through the lens of industrial relations participation. Taken together the studies reinforce the tenor of the extant literature in demonstrating the centrality of a defensively orientated motivation, tracked in the above instances predominantly to concerns regarding the impact of an external representative body on workplace flexibility and change. It was argued earlier in this chapter, however, that a narrow focus on workplace issues of managerial control is less than satisfactory, not least because it obscures the potential impact of other business considerations on employer strategy. In particular existing accounts have neglected the more creative ends which collective representation might serve in non-union settings. In mitigation this is predominantly the outcome of research design, such studies largely concerning themselves with employee outcomes rather than managerial motive. It is nevertheless to this wider topic of ‘market’ participation that we now turn.

It was suggested earlier in this chapter that the managerial logic underpinning market participation is founded upon the need to harness the tacit skills and co-operation of the workforce and/or considerations relating to employee retention. The corollary to such an assertion was the suggestion that labour process and labour market issues are likely to represent the principal contingencies stimulating any managerial interest in this area; this premise sets the framework for analysis within this section.



#### 4.4.1 Medico

Chapter 3 provided a rudimentary sketch of the production regime at MediCo. The daily work regime was seen to be most singularly marked by monotony, with task cycle times typically extending to no more than three seconds duration. Even though the slack within the local labour market was being eroded due to a benign economic climate, the filling of any vacant posts remained unproblematic; indeed the tendency in recent years has been to *reduce* the head count as automation had resulted in labour savings. Such an organisational setting would tend to suggest the absence of an overriding necessity to pursue the more creative apolitically orientated goals of market participation, i.e. goals focusing on recruitment and retention and the extraction of extra contractual performance through employee involvement. Nevertheless, senior managers were keen to hint at the latter more benign foundation. The HR director, and architect of the body, in particular was apt to slip into the lexicon of HRM to explain the original genesis and *raison d'être* underpinning the body:

We really didn't know at the time what we were doing. I know that sounds a bit bad, it was, we couldn't - if you said what are you really trying to do we could not articulate in those days as clearly as we can today what we were trying to achieve. But I can see it clearer now, because it is what we call employee engagement.

Notwithstanding the above concise *post hoc* rationalisation, there was scant evidence linking the body to a systematic 'hearts and mind strategy' being crafted by senior managers. Some caution is required, however, as this could conceivably be a reflection of a body noted by the personnel manager as being 'in need of re-invigoration', rather than simply hollow rhetoric. Nevertheless, *pace* the above espoused desire to engage employees, the lack of knowledge of the formal

representative system was deep seated and palpable. The following complaints were commonplace:

I know they meet, I don't know how often they do, but they used to have like monthly departmental meetings and things like that, but I don't see much of that going on now. Whether it does [meet] or not, if it does it is poorly publicised. In my department I have never seen an ECC rep, the only time I will see one is if I am lucky enough to be on the night shift.  
(Production operative, tank room)

I think it is lacking in communication with what happens with them in their meetings – other than their notice stuck on the board – once a quarter is it?  
(Production operative, viaflex department)

The above comments usefully serve to highlight the extent to which, pay talks aside, ECC meetings had become largely ritualistic in tenor. Minutes demonstrated that there was rarely a full quorum, and indeed at the four gatherings attended only three delegates were present. Although production imperatives and line management antipathy were often blamed by representatives for such absence, no steps were taken by management to correct the situation towards giving meetings a more stable footing. Likewise, on occasion no formal agenda was presented for deliberation.

The overall impression was that only a minimal attempt was being made by the senior managers to engage employees via this particular intervention. Quite the contrary, as the above comments suggest the body was broadly perceived as withering on the vine. Indeed, within the survey only 23% of employees agreed with the statement that 'management are committed to the consultation process'. To be sure, come the pay talks managerial interest was annually rekindled. Indeed, three of the six representatives had been appointed (i.e. 'elected' unopposed) following a recruitment drive initiated by the personnel department - significantly

just prior to the 2000 pay review. However, as demonstrated in the previous section, the importance of this key set piece event to management centres on its perceived contribution to non-union status, rather than any notion of employee empowerment. Indeed, the only evidence of a more creative intent was provided by a small group of production managers, one of whom argued: ‘the important part of the ECC to me is the work that they do at the lower level getting involved in relations between the second layer of management and the shopfloor’. It was suggested, somewhat ironically, that when changes were indeed unilaterally imposed by their senior colleagues, such managers would use representatives as a sounding board. This would involve briefing them as a means of predicting the likely consequences to future morale and the knock-on effect for departmental absenteeism - a means of taking the temperature of the workforce. Save this discrete grouping, however, utilising the body in an intelligence gathering function, the overriding organisational focus comprised a far less proactive, predominantly defensively orientated agenda.

#### 4.4.2 FinanceCo

In common with the other case study organisations, the data presented earlier pointed to the PC as a defensive strategy of union avoidance. As will be seen, however, a key point of difference between this and the MediCo study, was that in this instance senior managerial intent was far more complex. Accounts were provided consistently of a parallel motivation. Broadly, the perception was of a defensive intent simultaneously suffused with more progressive and constructive goals in mind, related to both labour process and labour market issues. Indeed, the formalised managerial conception was that of a high involvement managerial tool:



The purpose of the partners' council is to assist in the achievement of corporate strategy by extending and developing the structured involvement of employees in HR policy and decisions which affect them. (*Partners' Council Policy Document*, March 2001)

At one level the above is a fairly standard managerial exposition and could again be dismissed critically as vacuous rhetoric, utilising the powerful lexicon of HRM to screen the harder reactionary intent catalogued earlier. This study differs fundamentally from MediCo, however, in that the notion that the body was additionally suffused and overlain with a desire to achieve employee engagement, via meaningful dialogue, was not one largely confined to the senior managerial team. However, there was a sense that the core motivational driver was somewhat ephemeral and apt to vary over time. The following comments demonstrate these points:

My guess would be that it probably started out as being actually how can we avoid getting a union involved, and it has probably matured into how can we use this effectively to have good dialogue with our people and manage the business effectively through talking. I see an organisation that very much wants to involve the people and has been looking at ways to make sure that happens. (Key retail accounts manager, grade C)

When partners' councils came along there may have been an element of not wanting unions in, but that was not the driving motivator; it was more around getting staff involvement – getting staff buy-in. It actually comes back to managerial style, I actually believe that FinanceCo does try to be genuinely consultative and communicate with its employees and partners' council is one mechanism for doing that. (Reprographic supervisor, grade D)

Although interviewees were apt to rationalise the council in terms of the need for employee involvement and 'good dialogue', such phraseology says little about the functional ends that such processes might serve. When further pressed a range of organisational benefits that broadly come under the rubric of market participation - i.e. goals in and around improvements in service delivery through the agency of a

committed and stable workforce - were articulated. As will be discussed below, senior managers and PC representatives stressed the utility of the body primarily in terms of employee 'buy-in' or cooperation, improved commitment and employee retention.

### *The Context of Market Participation*

Over the last decade the banking sector has become fiercely competitive. Notwithstanding leading edge initiatives such as dot-com banking, close proximity to the customer remains a core feature within the financial services arena. This is an industry in which a myriad of organisational players offer a fairly uniform portfolio of products, therefore excellence in customer care is perceived as an important source of competitive advantage. Within the branches employee commitment was viewed as potentially problematic, not only because of recent branch closures, but similarly due to the number of internal re-structures that have been initiated in recent years. Some form of retail adjustment has taken place almost annually as the company has experimented with various arrangements to better align the retail network within the newly competitive terrain; roles have been created, extended, modified and replaced. Accordingly, employee consultation, with the PC as a core facet, was viewed as an essential vehicle for the securing of employee co-operation, legitimising the perennial re-structuring process, as demonstrated by the following comments:

We have become an awful lot more focussed about what we are doing, where we are going and how we are going to get there. We are an awful lot better at communicating that to the employees and getting the employees involved much earlier on, instead of: 'we have done this - here you go'. Now it is: 'we are considering this, come in and talk to us - give us your input'. What we were finding was that every year there was a re-structure, and certainly within the branches there were waves of discontent because they



never sort of got the staff to buy-into the process. They [senior managers] finally caught onto the idea that if you get the staff to buy-into the process it is a much smoother and more enjoyable process, and not one where people have this perception of change forced on them. (Chair, head office council)

Part of my role is to resolve issues and to make sure that people are satisfied, looked after and feel valued – all that kind of behavioural stuff. And the only way you are going to do that is through feedback – with PC we go straight on in there and pick up issues. (Head of Eastern retail)

While, particularly within a retail context, employee motivation and commitment was proffered as informing the managerial intent behind the body, employee retention was also acknowledged as a significant driver - particularly at head office. Turnover amongst certain staff with scarce skills, especially IT, was highlighted as particularly problematic. High employee turnover was acknowledged as both increasing training costs and mediating the quality of head office service delivery. This lends credence to various claims, especially amongst HR professionals, that concern in and around retention influenced managerial thinking, with the provision of voice via the PC positioned as a means of mediating employee 'exit':

It just makes common sense to know what your employees think. I have been responsible for doing turnover figures for this place and it can be a problem. This is right across the industry anyway, high turnover, and you need to know why, and people are not always honest on their exit forms. It is a cost thing; at the end of the day it costs so much money when you lose people in recruitment costs - so why not know what they are feeling, why not try and avoid upsetting them - it just makes total common sense. (Manager, HR shared services)

Similarly, within this context a view proffered was that of management utilising the councils at an early stage as a means of extracting information sets on the attitudes of employees towards proposed policy change and organisational initiatives. Again this was a means of taking the temperature of the workforce, as observed at MediCo, albeit carried out in a much more systematic fashion. As discussed in



chapter 3, the PC model is multi-tiered with any changes to policy requiring ratification at the GODPF; here partners' council chairs converse directly with senior management. Such 'environmental scanning' (Quinn, 1996:384) was viewed as augmenting the ability of senior managers to extract input from employees in an undiluted manner, and thus their capacity to gauge the potential effects of decisions downstream. As one ex-PC chair recalled of GODPF gatherings:

Officially we were not part of the [policy formulation] process at all. Having said that people would always listen to your views. So if something was put on the table one of the questions would be actually what do you think PC would think about this? What would the PC view be if we took this line? As a PC chair I would say, 'I think you are going to have some problems if you go down this line because of this, this and this; I think you need to revisit this, or alternatively, I don't think the members will have any issue with this at all'. I have to say that my experience is that most of the time - not all of the time - the people in that meeting were very focussed about how will the staff feel. It is a question of not shooting messengers, the company want to listen to strong messages that are coming through - they are acutely aware that messages get filtered out as they go through.

From the foregoing account it is evident that management has sought to locate the PC as a tool for the attainment of a range of integrational outcomes: partners' councils as active agents in the process of employee retention; as a vehicle for consensual decision making and as a motivational bridge. Such managerial claims are lent credence given the wide armoury of other similarly 'progressive' HR practices that are in place; practices that might be considered complementary to such a 'hearts and minds' strategy viz. the kind of high commitment or high performance managerial tools commonly associated with the HRM rubric. Cully *et al.* (1999:80) list a set of 15 such initiatives including: profit related pay; single status; team briefings, and share ownership. The high take up at FinanceCo is manifestly impressive. Of the practices listed, 12 are in place within the head office environment; while this falls to 10 at retail level, such a haul is nevertheless

significant placing the organisation within the top 14% of companies utilising 8 or more practices (ibid:110). Such a tight bundling of progressive initiatives suggests an internal consistency to the accounts articulated above.

In sum, this study clearly differs from MediCo in that the above account lends support to the widespread notion of management using the body not only to avoid unionisation, but more proactively as a delivery mechanism for the inculcation of a range of commercially useful individual skills, competencies and psychological states. In line with the earlier framework for analysis there were clear linkages to labour process and labour market contingencies. Taken together this and the previous analysis probing the issue of union evasion suggests that managerial behaviour in relation to the PC is permeated by a collection of considerations both defensive and more creatively orientated – this is clearly at variance with the case study literature reviewed earlier. The study likewise undermines the notion of managerial consensus with regard to the pursuit of corporate goals via this particular intervention. Merging the two substantive themes presented, subtly different emphases were evident, although no consistent pattern emerged. For example, the most senior person responsible for the PC (head of group HR), made explicit that union avoidance and issues appertaining to pay and flexibility was the key driver. Nevertheless, other HR managers stressed the potential benefits in terms of employee retention, particularly at head office level. Within the retail network employee motivation and ‘buy-in’ was again thematically popular for managers. Likewise, it was evident that the precedence afforded to the various goals was apt to vary temporally in response to both internal exigencies and external shocks, as demonstrated by the renewed emphasis upon trade union



avoidance, re-prioritised following the introduction of a statutory recognition formula. In turn, however, these broad conclusions raise some supplementary questions relating to outcomes: firstly, what in practice is the substantive contribution of the body to the company's preferred non-union status? Secondly, are the benign more individually framed outcomes ultimately realised? These are themes to which we will return later in the thesis.

#### 4.4.3 FridgeCo

Building upon the FinanceCo study, at FridgeCo a variation in senior managerial motive was likewise detected. Earlier in the chapter the topic of union evasion at FridgeCo was explored with the managerial position enunciated by the personnel manager. This actor aside, one other managerial player had been actively involved in the consultation process, its architect, the production director, albeit from a less defensive vantage point. In conversations spanning an 18 month period it was emphasised that from his perspective the original decision to remove the trade union in 1994 was not taken out of any ideological opposition to trade unionism *per se*; indeed during the interim period prior to de-recognition the trade union was viewed as an amenable partner, perhaps reflecting the wider power dynamics of the period:

We would talk about this and that, and they [the union] would just accept it. The regional officer would come in and he would say that business needs must be met because it is important for the employees and the economy, and it was kind of like they would give us a free hand. (Production director)

Ultimately the interpretation here was that de-recognition had been invoked because the representative process was partial. Thus in an early interview it was argued that:



Before I joined the company there was a notion that the union wasn't serving its purpose, but it was no more than a notion. When I came here it was the opportunity to do something about that. I do believe that if people in an organisation are going to be effective then they need to be well managed, well led, well briefed and communicated to - but also well represented. I don't believe that the union was representing the people well at all. The view was that there was only a small percentage of employees who were actually in the union. So if we were discussing changes to terms and conditions the union reps would go back into the factory and they would casually brief their members - but if you weren't a member you did not get to know. *Other people in the organisation might have had different things on their mind*, but basically it [a company council] fitted my belief in what an organisation can be for its employees. It fits a view that people will be, and want to be, fully involved in an organization, and a company council, as opposed to union representation, would fit that ideal much more closely. (Production director)

The council was hence viewed as a means by which the workforce, irrespective of union membership, could be enfranchised, creating a company wide system of communications and involvement. In lengthy discussions, however, it became evident that such goals were not founded upon some form of democratic idealism, rather this actor had in his mind a clear vision of utilising the company council again towards a market participatory approach, with issues in and around the labour process representing the key contingency informing such a position. Nevertheless, the financial crises in which the company was to subsequently find itself had served to undermine the pursuit of this ambitious agenda – a topic developed below.

### *Market Participation: The TQM Nexus*

The production director had been recruited on the basis of his experience of, and belief in, the efficacy of Japanese manufacturing practice. Previous employment at the Rover Group as a project manager had involved periods of secondment to Japan

during the Rover-Honda tie up of the early 1990s. This Japanese experience represented something of a philosophical awakening:

I spent three weeks in a factory in Japan and saw how they were introducing new products, saw how they related to it, how the whole thing worked, saw how the factory was laid out in the interests of flow which minimised material movement and eliminated waste and all that stuff - and everyone feeling briefed and part of it. What I found was that in all the time I had been at Longbridge I had been uncomfortable with the way things had been done. I thought I have been here [Japan] three weeks and I am very comfortable with all of this. It just fits, it suits - Japanese techniques of world class manufacturing, cellular manufacture, workflow and reducing changeover times and basically, you know, how to treat people.

On appointment at FridgeCo in 1994 he had been given a high degree of freedom to introduce a state of the art production system within the allocated budget. Given the above desire to emulate what was perceived to be successful Japanese manufacturing practices, the centre piece was a cellular mode of production, a format that had acquired considerable kudos within the UK. Indeed, FridgeCo corporate publicity material was unapologetic in noting the company's debt to Japanese influence:

The company is investing heavily in training its people and in developing new working practices similar to those adopted by successful Japanese companies to create a world class organisation capable of competing and winning against far larger multi-national businesses.

The original project was rigorously specified within a clear strategic vision encompassing a wider cultural change, with an attendant transformation of employee relations. The move to the new factory was perceived as representing a *tabula rasa* that would facilitate the introduction of a complementary portfolio of personnel and working practices. The normative thrust of discussions was of an original desire to build in both 'hard' and 'soft' components of a total quality



management regime, i.e. the synchronisation of personnel and labour relations with manufacturing production strategy. With regard to the former hard ‘production orientated techniques’ (Rees, 1996:12), U-shaped cellular production was the centre-piece. Further components introduced included a just-in-time production format and statistical process control. More pertinently for current purposes an array of complementary ‘soft’ TQM practices were similarly introduced; practices that seek ‘to generate commitment to quality’ (ibid), suggesting an internal coherence to the original blueprint. A newsletter, team briefings and kaizen were introduced in swift succession. The latter was given particular early prominence with production workers participating in two day workshops with production subsequently stopped for one hour per-week to facilitate regular kaizen sessions.

A cultural shift was additionally pursued via other pillars of the Japanese model including the increasing use of peripheral workers to even out fluctuations in demand, and more subtly the use of ‘egalitarian symbolism’ (Graham, 1995:106), in the form of a ‘shirt sleeves’ managerial style and ‘workwear’ uniform for all production workers, regardless of grade.

Notwithstanding the emphasis placed on the above initiatives the original introduction of the company council represented the kernel of the TQM software. Given that the overall goal was to create a high involvement culture attuned to the greater demands of cellular production, partial trade union representation was viewed as inimical to the wider vision, which encompassed a desire to elicit the support and co-operation of employees to the greater demands imposed by the transformation to a quality driven culture.



Given the intellectual coherence of the above blueprint the most notable facet of the study, however, was the degree to which, despite his best intentions, the production director's strategic vision had been all but frustrated by the close of the research period (March 2002):

In the last organisation I was at I had the opportunity to bring all of this together, all I wanted to do really when I came here was to do the same thing - but it hasn't really panned out like that. (Production director)

Managerial outcomes will be afforded scrutiny later in the thesis, suffice to say that the financial crisis in which the company became embroiled had served to check the vision of a cultural transformation. By the beginning of 2002 the financial position was 'threatening the very viability of the company' (*Annual Management Plan*). Consequently over the duration of the research period (October 2000 - March 2002) it was evident that the softer paraphernalia of TQM was being wound down. The provision of team briefings had become intermittent resulting in rumours of closure and takeover. Likewise, kaizen had been abandoned not least because the plant could no longer afford the luxury of shutting down production cells for the required one hour per week. In any event, as one plant engineer somewhat sardonically argued, the wage freeze and resulting employee attrition dictated that there was an increasing reliance upon temporary agency workers 'who had little to contribute to the philosophy of continuous improvement'. With regard to the company council, the major problem was that the vicissitudes of day-to-day crisis management were perceived as rendering the process of prior information provision and workforce consultation increasingly difficult in view of the necessity for short lead times in decision making. One upshot was increasing concern amongst representatives that consultation was not being invoked *before*

management took decisions (*Council Minutes*), with a related failure to keep delegates abreast of rapidly changing events. As the production director lamented in the final interview:

We are in a business that is under severe financial pressure and this now pervades everything that we do. That pervades into a managerial style of reacting. You are like a fire fighter; there is a continual pressure and that is basically driving everything.

Thus, in one notorious incident representatives only became aware that a freeze on production recruitment had ended via company advertisements placed in the situations vacant section of the local newspaper. In another characteristic episode, as a result of labour shortages, the managerial team had been forced to approach the non-production areas for volunteers to undertake manufacturing tasks to help clear a backlog of orders. This brought widespread criticism that instead of being formally briefed on the matter the council had been reduced to hearing ‘confusing snippets of information from various sources’ (*Council Minutes*), a scenario anathema to the original formulation for a well briefed and ‘fully involved’ workforce.

The positioning of the council as a high involvement tool was further comprised, however, for reasons beyond issues of financial crisis and ensuing environmental indeterminacy. Within chapter 3 coverage was given to the absence of an overarching managerial style within FridgeCo. A resultant corollary was a failure on behalf of the other members of the incumbent senior managerial team to ‘buy-in’ to the cultural transformation, and, consequently lend significant support to the consultation process. The two other functional directors (finance and technical matters) rarely attended council gatherings, and the tenor of interviews with the

production director was similarly that they had failed to effectively champion the process of consultation within their own functional areas, prompting the following reflections in the final interview:

What I have found is, and it is fairly fundamental, one has to be the MD to see through initiatives such as this. It is very difficult as a functional director. Likewise you cannot cocoon one function of the business and say we will do it here, because that does not work either.

Effectively the only other source of managerial support for the council was the personnel manager. However, as mentioned earlier, goals here were more defensively conceived. Indeed, it warrants highlighting that this divergence spilled out into differences of opinion with regard to council procedure. The personnel manager's belief was that monthly meetings served no useful purpose, arguing that bi-annual gatherings would be sufficient for consultation on wages and terms and conditions. Conversely, whilst the production director invoked open-ended meetings, seeing them as serving an educational purpose, a means of nurturing human resources via improved communication and information sharing, the personnel manager expressed cynicism at how representatives would manipulate this and 'spin meetings out' to the end of the shift. In another famous instance the production director had upbraided the personnel manager in open forum for not following up an action point from the previous minutes, as the former observed:

Afterwards he [the personnel manager] collared me to say that I had embarrassed and undermined him in the company council meeting and that I kind of showed that there was not a consistent management front. That story kind of highlights our different views - it is not us against them.

In sum, drawing upon both this and the earlier FridgeCo data, we can again deduce, as with FinanceCo, that the managerial intent underpinning the representative



structure was, originally at least, infused by an amalgam of motives, itself informed by a medley of environing contingencies - both internally and externally derived. It was similarly apparent that there was an oscillation in the prioritisation afforded to particular aims; specifically the necessity for speed of reaction premised upon unfettered managerial prerogative eventually serving to occlude the originally privileged market participatory goals. Subsequent discussions in the thesis will attempt to amplify and elucidate more fully upon this and other tensions unleashed by this mode of managerial intervention

#### **4.5 The Legislative Dimension**

The above account has sought to locate the logic underpinning the presence of the three NER structures by embedding them within the context of wider business policy and strategy and in so doing an array of contingent factors were explored. Managerial thinking, however, needs to be further located within the increasingly pervasive legislative climate imposing the statutory need for consultation in certain instances, most significant of which are the redundancy provisions. Such regulations provide for the convening of *ad hoc* consultative machinery. Nevertheless, in the recent past all the three case study organisations have sought to utilise the standing body to discharge the legislative burden. At one level of analysis this is a fairly unremarkable observation; the analytical interest here, however, derives from the skilful micro-management of the process suggestive of goals beyond legal compliance *per se*.

Turning firstly to MediCo, due to both increased automation and the intense investment competition between European sister plants, redundancy was an ongoing and palpable threat, with the necessary consultation procedure invoked in 1999 when 64 jobs were lost. Although the legislation requires that ‘employers must consult the workers’ representatives with the purpose of finding ways of avoiding the dismissals’ (Sargeant, 2001:488), it is evident that management have invoked a more minimalist interpretation of the provisions to delimit their application. Ex-representatives in particular, were critical that the actual redundancy decision, and number of employees affected, was presented as a *fait accompli* with employees given little opportunity to assess the reality content of the need for the planned cull. Thus, although the HR director was anxious to stress that ‘they [ECC representatives] are certainly involved in the initial discussions of what can be done to save jobs’, delegates evinced that their role was far more passive.

As one ex-representative bemoaned:

They tell us what is happening - but as to input? I don’t believe we had any input in it. They would tell us first, then after that they [representatives] would ask questions, but as to input or effect, no none whatsoever.

Whilst the substantive decision was not up for discussion, it is noteworthy that management have involved, and continue to involve representatives closely in various procedural aspects, e.g. the drawing up of redundancy criteria. A points system remains in operation based around standard norms such as last-in first-out, and representatives, at the behest of management, have periodically ‘tinkered’ with the system, for instance, the building in of perfect attendance into the overall equation. This allows management to further discharge one of its duties under the legislation, to provide information with regard to the proposed method of selection

(Sargeant, 2001:489). At a more analytical level, involving representatives proactively could be seen as an attempt to legitimise the decision via the representative body's imprimatur. At the very least the ECC performs a crucial function in allowing the MediCo management to absolve itself of the legal burden while, as with wage discussions, the process is engineered to preserve managerial prerogative intact.

With regard to FinanceCo the institutional objectives of the PC were re-drafted in October 2000; a core purpose delineated being the need to 'provide a legally acceptable framework for formal consultation'. Thus, of the three organisations, this represents the only instance where the constitution of the representative organ expressly refers to the need for legal compliance. In a similar manner to MediCo, FinanceCo has witnessed recent redundancy episodes imposing the need for formal consultation. As discussed in chapter 3, a major branch closure programme was undertaken in the late 1990s that ultimately resulted in the closure of 29 sites. More recently, a smaller number of jobs were lost at head office during the re-structuring of the organisation into autonomous business units.

In line with the earlier account depicting the managerial desire to use the body to obtain the structured involvement of employees, managerial actors were again keen to suggest a desire to take advantage of the legislative requirements to engage employees in this element of corporate decision making. The reality of the situation, however, was less benign; consultation was depicted by representatives as having minimal impact on such strategically important decisions. The most significant findings emerged within the context of the branch closure programme.



Here, it was evident that consultation carried minimal purchase with regard to the substantive decision, notwithstanding the legal requirement that consultation take place with a view to avoiding dismissals. Several representatives responded to senior managerial exhortations for the submission of business plans demonstrative of branch viability. However, the widespread view was that this represented a perfunctory exercise - mere 'window dressing'. The following was a standard complaint:

They [management] said if you feel the branch is viable put forward a business plan – so we did. It was a very good business plan, I have been a management consultant and this *was* a good business plan – you could have gone to a bank and borrowed money on it. But FinanceCo said no, well they didn't even take it out. I don't believe that they ever actually read it – they had made that decision and nothing was going to change that decision.  
(Representative, retail council)

Echoing the position at MediCo, the evidence again suggests that the representative body allows management to discharge their legislative duty within a minimalist interpretation of the regulations, effectively leaving managerial prerogatives intact. This of course raises issues regarding both the efficacy of the voice process and the compatibility of both defensive and more proactively formulated goals – themes we will pick up on later in the thesis.

With regard to FridgeCo, as within both other organisations, the increasingly dirigiste legislative climate had of late served to further bolster the perceived importance of the body as a managerial tool. As discussed in chapter 3, the research period coincided with the fortunes of the company being at their historical nadir. Unsurprisingly, therefore, FridgeCo had in recent years experienced redundancies and had been obliged to implement consultation under the relevant

regulations. Indeed, the redundancy procedure had been invoked just 12 months prior to the research commencing with the loss of 84 production jobs.

As within the other companies the evidence suggests that management used the standing body to formally discharge the various legislative duties incumbent upon them, with a similarly narrow interpretation of the legislation invoked to avoid the more potentially erroneous procedural implications. Again significantly the provision that employers must consult workers' representatives with the purpose of finding ways of *avoiding* the dismissals was adeptly sidestepped. It is evident that in the 1999 redundancy episode management had made a decision regarding the precise number of employees that would be affected *prior* to the consultation period being invoked, reducing the process to one of merely explaining the decision. The implementation of the statutory procedure accompanying the redundancies was minuted thus:

‘John Smith’ [finance director] stated that due to various factors the company's share of the refrigeration market had dropped. The new range has not been as well received as expected. Production volumes have had to be trimmed down in line with the lower sales volume and therefore FridgeCo's cost base will have to be reduced. This will be achieved with redundancies. Just under 100 people will be made redundant.

Again an interesting facet was the skilful handling of the process. In the run up to the redundancy notification the minutes highlighted the systematic positioning of business data appertaining to various economic issues. It is evident that in such situations the heavy use of the standing body as a communications forum serves a useful complementary function for management, providing an early opportunity for the preparation of the ground for redundancy notification. In McArdle *et al*'s (1995:167) terms, ‘the use of the logics of the market to legitimise managerial



action'. Within such a context the legislative demands that require companies to seek ways of avoiding dismissals, and search for accommodation (Deakin and Morris, 2001:806), is discharged relatively easily, in that attitudinal structuring conceivably mediates the potential for employee challenge to the logic of managerial action. Indeed, so consummate was management's command of events that not only was its version of reality unchallenged, but the body was similarly fused into the management function - as the production director observed:

They [representatives] did a lot of work talking to people about the need for redundancies and so on and so forth and therefore that eased the burden. They would take on some of the communications, some of the responsibility. They effectively became another 14 people who would actually recognise that the redundancies were inevitable and were actually helping us to see it through in the fairest way possible.

Taken together the three case studies would suggest that the ongoing support for a standing consultative body is very much additionally informed by the need for legal compliance, the legislative context must, therefore, be viewed as a further important push factor illuminating the managerial interest in NERs. A more discriminating analysis, however, suggests links with elements of the earlier discussion appertaining to union avoidance. The MediCo and FridgeCo studies are notable in this respect. As observed, in the former instance the ECC is proactively involved in the setting of criteria for redundancy selection. At FridgeCo the council is likewise procedurally brought very closely into the consultation process. Such involvement is suggestive of an element of extra-managerial policing of corporate behaviour by a putative standing opposition, connecting into the union substitution goals reviewed. More subtly, Sargeant (2001:489) has argued that 'management may see the process of mandatory consultation as a way of legitimising its



decisions’. Indeed such functionality was explicitly embraced by the FridgeCo production director:

You present to them the need why we feel we have to do it, and if they see it from the same perspective, or accept that it is inevitable, then it kind of reinforces that, it makes sense of what we are doing.

In such instances the ostensible ratification by a standing representative body is potentially politically expedient. At a symbolic level it is suggestive to both internal and external audiences of the trappings of organisational pluralism, whilst the ability to systematically build representative support affords a legitimacy and cogency to managerial action, mediating the potential for destabilising workforce dissent. As such these themes connect with the goals relating to union evasion, suggesting a degree of synergy between managerial priorities and the use of a standing consultative body to discharge the *de jure* requirements.

#### **4.6 Discussion**

This chapter has examined the managerial motivation underpinning the presence of NERs in each of the three study organisations. The architecture for the discussion was set early in the chapter when the extant literature was explored: this ultimately involved the merging of elements of the generic academic discourse on participation with the more detailed case study data. Drawing on the work of the UMIST team the potential managerial objectives underlying participatory structures, and by extrapolation the presence of NERs, were presented as representing differing emphases relating to ‘industrial relations’ and ‘market’ participation. The former position was summarised, in the context of this study, as

being preoccupied with the maintenance of managerial prerogative through the amelioration of shopfloor power via a strategy of union avoidance. Following the integration of the detailed case study data a further distinction was made between ‘substitution’ and ‘acculturation’ approaches to such eschewal of union influence. Conversely a market participatory approach was deemed to be an entirely different managerial position concerned with more apolitical goals targeted at achieving outcomes in and around employee engagement, commitment and retention. The corollary to the above typology was the premise that managerial interest in NERs might be best understood as a response to an array of contingencies. The chapter thus moved on to explore the perceived complementarities between institutional preference and wider business priorities. What this chapter has demonstrated unequivocally is the applicability of the contingency derived approach to this area of study, the managerial rationale underpinning the presence of these bodies being permeated by a variety of motives. The analysis has graphically highlighted the need to consider the particular organisational context when seeking to unravel the managerial goals underpinning the presence of NERs, and highlights again the inadequacies of resorting to ‘grand theory’, *pace* Ramsay, as an explanation for complex micro-level social phenomena. We have seen the difficulties in imputing one overriding strand of emphasis relating to the control of labour, when business priorities are themselves much more complex. Similarly, by isolating one participatory intervention the chapter has further informed the debate on the links between employee involvement and various contextual factors.

Only at MediCo were the goals of the senior managerial team seen to be derived solely from within an industrial relations perspective. This in essence represented

an exemplar of the Ramsayesque thesis, with managerial aims being concerned principally with the maintenance of control and the subjugation of any potential shopfloor power. It was clear that both the genesis of the ECC and the continued managerial resourcing were based upon the desire to pre-empt union organisation. The council was very much a trade union substitute, with the annual pay review central to the remit of the institution. Management were seen to go to considerable lengths to construct a facade where outwardly the process had the appearance of plant level collective bargaining, with what Ramsay terms pseudo participation very much in evidence, replete with ostensible managerial concessions.

In contrast to MediCo the position at both FinanceCo and FridgeCo was seen to be far more complex as the milieu of motive was additionally permeated strongly by labour process and labour market considerations. To be sure, as discussed below, a commonality across all three organisations was the desire to maintain a union free environment - albeit with variable levels of emphasis - as a push factor towards the creation of the relevant NER structure. However, within the latter two companies there was a marked intra-organisational divergence of intent amongst managers. At FinanceCo it was evident that a variety of commercial pressures were serving to buttress the partners' council as a component of a market participatory approach. Consequently, in addition to the implicit goal of union avoidance, the espoused benefits were articulated in terms of employee engagement, cooperation or 'buy-in', and retention. At FridgeCo, where the company council was created following the de-recognition of the incumbent trade union, a clear managerial driver behind the body was again deemed to be a desire to appease residual employee demands for collective representation, through the creation of a managerial surrogate.



Nevertheless, the wish to utilise the body as the cornerstone of a market participatory approach surfaced, with the company council's introduction, at least, representing a component of an envisaged shift to a total quality management culture.

As noted, one of the key findings of the analysis was the use of representative structures as implicit components of a wider corporate non-union policy. Within all organisations this was seen to include elements of both the substitution and acculturation formats modelled early in the chapter. Although the theme of avoidance is present in much of the case study literature previous researchers, save Lloyd (2001), have not sought to engage directly with a discussion of the perceived business benefits or commercial advantage to be accrued through such a strategy. Rather non-union status is treated as a 'free floating' end state, with minimal strides made to integrate this into an exploration of wider corporate strategy. Earlier in the chapter the notion of unions as monopoly agents was introduced. The potential material benefits of non-union status were theorised as falling under two headings: reduced labour costs and the overcoming of resistance to organisational change and flexibility (Freeman and Medoff, 1984:13). It was noted that within the wider literature such perceptions of a purported non-union incentive carry significant purchase amongst managers. As will be seen in the subsequent chapter, managements in all organisations have sought to clearly delineate the degree of employee empowerment manifest through the agency of the relevant representative body to insulate managerial prerogatives - but to which primary goal is this targeted? This chapter has clearly demonstrated that concerns in and around flexibility and organisational change were the principal contingencies informing

managerial thinking. At MediCo disquiet regarding the union issue was discussed by senior managers in terms of the concepts of ‘flexibility’ and ‘bureaucracy’, rather than labour costs, indeed wage levels fall within the upper third of the local pay league and are benchmarked against neighbouring firms, some of whom are unionised. The preference for non-union status was additionally positioned within the context of corporate divestment and investment decision making. The perceived flexibility was regarded locally as commercially advantageous given that the competing European satellite plants were mostly unionised; a status that was perceived as hindering the ability of the relevant management to initiate change or ‘push things through’.

Similarly at FinanceCo goals were seen to relate to flexibility and organisational change reflecting concerns in and around the desire to remain fleet of foot within a very fast moving sector, and the apprehension that unionisation ‘would slow things down’ and ‘tie us up in red tape’. As with MediCo the lower wage costs allegedly associated with non-unionism were not in evidence, salary levels being benchmarked against the industry norm. Nevertheless, the theme of pay flexibility *was* an apparent referent.

A further concern of senior management at FinanceCo was that of the perceived ‘confrontational’ nature of the banking unions. Flood and Toner (1997:266) have used the concept of the ‘psychological contract’ to articulate managerial concerns within non-union firms, in essence the notion that trade union representation inevitably imports and promotes an adversarial climate undermining the building of a consensus culture and atmosphere of high motivation. Within the FinanceCo

study there were again hints that trade unionism would import an ideological contagion that could potentially destabilise the employment relationship, impairing business efficiency.

FridgeCo represents the only example within our case studies where a low wage strategy was being pursued for commercial advantage. This will be given full coverage in chapter 5 when the efficacy of the voice process is reviewed. Suffice to say at this stage that a wage freeze had effectively been in operation during the five years prior to the close of research with management apparently pursuing a non-union incentive via this particular route. It is tempting, therefore, to view the original de-recognition of the incumbent trade union and its replacement with a purely consultative vehicle teleologically, as a purposeful and strategic attempt by management to reduce labour costs within a highly competitive sector. Such a conclusion, however, would represent an over-rationalisation of managerial action; as Nolan and Edwards (cited in Hyman, 1987:31) caution, there are dangers in ‘investing employers with impossible amounts of knowledge, cunning and foresight’. As discussed earlier in the chapter, the organisational move to a new cellular production format was beset with a range of difficulties, not least increased down-time and a drop in sales due to a poorly received new product launch. These additional cost pressures ultimately triggering the subsequent wage freeze - such financial shocks, however, were not in any way foreseeable. To be sure, the pay bill did become an overriding concern and it would in all likelihood have been more difficult to control labour costs so tenaciously in a unionised setting – not least the number of redundancies and terms of severance; but there is no evidence that this was uppermost in management eyes at the outset of the non-union policy.



Indeed, the de-recognition of the trade union coincided with an organisational attempt to move the product range *away* from a low price strategy to a more specialised market niche where a price premium could be supported. The evidence presented is strongly suggestive that any benefits accruing from union avoidance *per se* were originally, at least, again perceived by management in terms of flexibility and innovation, more particularly the assuaging of potential resistance to the introduction of cellular working and, perhaps more pertinently, ancillary modifications to working practices, i.e. the introduction of shift working.

A stated aim in the introduction to this chapter was the addressing of the hypothesis that NERs, within a suitable environment, might be created for reasons solely of market participation. In none of the study organisations was motive tracked exclusively towards this goal with union considerations deemed unimportant. However, at FinanceCo and FridgeCo the senior managerial motivation underpinning the bodies was seen to straddle goals aimed simultaneously at *both* industrial relations and market participation. This use of the relevant councils as components of a market participatory approach was informed by contingencies relating to both labour market pressures and the evolving and increasingly demanding nature of the labour process. Within the context of FinanceCo, at retail level the last decade has been one of almost continual change as the company has sought to better hone the services on offer in response to an increasingly competitive terrain. Employee motivation was acknowledged as a problem, particularly where employees failed to ‘buy-in’ to the ongoing organisational change, undermining the quality of service delivery within an increasingly customer orientated environment. Given that the nature of cashiering is

progressively being transformed into the more demanding and proactive function of cross selling, this was of concern to senior branch officials. There was hence a desire to engage in early two-way communication through the PC to encourage 'buy-in' and to 'unblock problems'. At head office labour market problems were the core driver where there was an extremely tight labour market for certain categories of worker. This resulted in a desire therefore to stabilise the workforce, particularly in relation to those with scarce aptitudes and experience, while the mediation of turnover was seen as having other epiphenomenal effects including reduced recruitment and training costs. Indeed, taking the evidence as a whole at FinanceCo what emerged was an extremely variegated picture. While a multiplicity of motives were being pursued through the body, different emphases were clearly evident in relation to specific business units, markedly, as noted, the retention of employees in sensitive market positions at head office and employee motivation at branch level, with the desire for union avoidance representing the common denominator.

At FridgeCo the anticipated reviving and modernising of the plant en route to a total quality format was likewise a distinct driver giving rise initially to clear market participatory goals, i.e. goals directed beyond simple plant control issues. The switch from a flow-line to a more individually demanding cellular production format was perceived by the production director as requiring a complementary shift to a high involvement culture. Accordingly the company council originally formed the centre piece of an array of soft TQM practices including kaizen, team briefings and workwear positioned to deliver the greater workforce engagement required under the terms of the new production regime. As similarly observed, however, in

this instance the ensuing financial crisis very much served to subvert the development of this more creative agenda.

The research has likewise highlighted the dynamic nature of the participatory process. The benefits sought may evolve or be re-prioritised due to a myriad of external pressures and shocks. Similarly, the internal profile or overall ‘centrality’ (Marchington, *et al.* 1993:559) afforded to such participative structures may vary.

In regard to the former theme, at FridgeCo, despite the original genesis of the company council being depicted in terms of goals relating to both organisational change and employee involvement, by the time of the research a cost crisis had triggered the more narrow pursuit of a non-union incentive in relation to pay strategy. With regard to the theme of ‘centrality’, at FinanceCo heightened overall attention was being paid to the consultative process following the introduction of a statutory formula for trade union recognition, manifest in the re-modelling of the representative format. This was evinced in an alteration to the terms of reference of the body with an increasing focus on distributional, in essence wages issues, as well as those staples of an integrational nature. The legislative intervention had clearly acted as a stimulus for an overhaul to the representative format.

Marchington *et al.* (ibid) have usefully captured such change in the managerial prioritisation of participatory initiatives via a ‘waves’ metaphor. The central argument is that the nature of participation varies over time, and is the result of a variety of influences giving rise to ‘waves’ of managerial interest. On a similar theme of dynamism, specifically with regard to indirect representation, Poole (1978:79) has argued that ‘at the micro-level it is clear that the nature of joint consultation machinery is a particularly sensitive barometer of the organisational



strength of workers'. This 'ebb and flow' in managerial interest as a response to micro-level tensions is a core theme to which we will return in the concluding chapter.

Finally, within this section the increasing requirement for legally derived consultation needs to be reviewed. FinanceCo was the only organisation amongst the case study group where formal reference was made to the need for legal compliance. However, consultation periods, as required by redundancy legislation, had been invoked in all organisations within the two year period directly prior to the research. In each instance management elected to extend the status of the standing body as opposed to the convening of additional ad hoc consultative vehicles. It was apparent that all councils served to ensure formal legal compliance, while usefully rendering management prerogatives intact, despite the legislative onus on the need for consultation towards the purpose of avoiding dismissals. It was similarly evident that within two of the organisations the perceived utility to management went beyond the mere discharging of the legislative burden. Both MediCo and FridgeCo had sought procedurally to bring the relevant representatives very closely into the process. This was demonstrated at MediCo where the representatives were involved with management in the ongoing process of drafting the redundancy criteria. One interpretation of this would be that management was simply discharging, or indeed going beyond, its duty under the legislation, to provide information as to the proposed method of redundancy selection. However, given the manipulation of the body catalogued within the pay talks it would be naïve to assume that management do not consider the incorporative potential, and the possible use of such procedural consultation as a means of diffusing embryonic

conflict. Indeed, by so enmeshing the standing body in the establishment of redundancy criteria this both discharges one of the legislative responsibilities and plausibly transfers some of the managerial burden to the employee group. Further evidence was provided of this at FridgeCo where representatives were brought very closely into the redundancy process. The evidence is thus suggestive that beyond their *de jure* role in such instances, a standing representative body may be perceived as useful ideologically as a means of legitimising managerial action.

This chapter has argued that in creating and sustaining NERs management are pursuant of a medley of aims. As yet, however, we have not addressed the crucial issue of whether the anticipated goals are realised. This is a theme to which we will return. Prior to moving on to such an evaluation of outcomes, however, it is necessary firstly to scrutinise the efficacy of the representative bodies as theatres for the provision of voice, as differences in this respect impact directly upon the realisation of both the defensive and more proactively formulated goals. It is to this task that we now turn.



## Notes

1. It is also possible to identify a fourth variant: the industrial democracy model. This perspective is inspired by democratic goals *per se*. As Bolle De Bal (1992:604) notes 'participation is seen not only as a means to an end in itself [but] a way to create a strongly democratic society, characterised by active, participative citizens'. Democratic and political theorists (cf. Pateman, 1970; Mason, 1982) have long advocated the democratisation of the workplace as 'an incisive challenge to the liberal separation of democracy from the institutions of everyday life' (Pateman, cited in Mason, 1982:xvi). The benign societal outcomes envisaged by those rejecting the hegemony of liberal democratic theory include the development of an active democratic citizenry (ibid:xvi), and the stability and efficiency of social institutions (Sartori, cited in Dachler, 1978:4). Fundamentally, however, from this position participation in the workplace is advanced for the pursuit of *societal* rather than *organisational* ends. Given that management in capitalist enterprise is judged largely upon efficiency and productivity measures, rather than civic criteria, *a priori* it is possible to reject the proposition that managerial interest in participatory tools, including council structures, is largely founded upon democratic idealism.
2. While Ramsay uses the term 'phantom participation' other commentators, in particular democratic and political theorists such as Verba (1961) and Pateman (1970), have used the phrase 'pseudo-participation' to describe the same phenomenon. The two terms will henceforth be treated as synonyms.
3. Indeed the virtual granting of seminal status to the work is the more problematic given that the fundamental tenet - the cyclical nature of the participatory phenomenon - was plotted by Michael Poole some two years earlier (1975) when *Workers' Participation in Industry* was first published:

Developments in workers' participation and control, their ebb and flow in particular historical periods, their variations in significance in specific industries and factories and even their main international variations, can largely be attributed to differences in the latent or underlying strength of the main industrial classes, parties and groups....When that is, the underlying power of workers as a whole, or their specific organisations, or at the still more local level of particular work groups, has for some cause or other been enhanced this has usually been expressed *at the manifest level of power* in given developments in participation and control (Poole, 1978:38, emphasis in original).

A clear distinction was nevertheless Poole's optimism that the 1970s betokened a secular shift to workplace democracy, Ramsay's prognosis was of course less sanguine.

4. This passage is overlooked by certain commentators who ascribe to 'cycles' the explicit status of theory (cf. for example, Hollinshead *et al.* 1999: 394).
5. As the UMIST team acknowledge (Ackers *et al.* 1992:270) this is a point conceded by Ramsay in his later work.



6. The authors also identify two further positions: ‘philosophical’ and ‘faddish’ participation (Ackers *et al.* 1992:279-280). The former is problematic in that within the four instances depicted as falling under this heading the UMIST team fail to make a convincing case that participation is invoked ‘as an end in itself’ (ibid:279), a very tight gateway. Indeed, it is conceded that ‘[managerial] material self interest’ has played a part in the creation of two of the four schemes. Based on the sketches provided it is not possible at one remove to unravel the interwoven complexities of managerial intent. However, given that all four of these organisations were heavily unionised, trade union marginalisation is a plausible interpretation. Thus, within the context of one firm: ‘ChemCo’, it is noted that team briefings were introduced ‘as a vehicle for communication to explain the massive change which the site was undergoing’ (Marchington *et al.* 1992:62). Similarly at another organisation: ‘NTC’, unions were fearful of being bypassed following the introduction of a TQM scheme. Ultimately it is conjectured that the *dominant* motivation behind the various initiatives in the UMIST study is satisfactorily captured within the industrial relations – market participation dichotomy, although broader corporate philosophy may represent a *contributing* pull factor (cf. also note 1. above).

The problem with the notion of ‘faddish’ participation is not so much that it is a flawed depiction of organisational reality, but rather the mere fact of participation being ‘transient, poorly resourced and weakly sponsored’ (Ackers *et al.* 1992:280) does not of itself preclude the presence of motive, no matter how ‘ill defined or grandiosely unrealistic’ (ibid). Hence, at one company, ‘LeisureCo’, depicted as falling under this heading, while there was little substance to employee involvement, participation was nevertheless ‘[o]stensibly...supposed to hone the human resources to the requisite customer care standards’ (ibid), i.e. a market participatory approach. Given that within the context of my own research the three bodies had been in existence for between 8 and 30 years, the very notion of faddish participation is in any event rendered a somewhat unsatisfactory depiction.

7. Terry’s study did not include the 1999 IDS report, nevertheless the relationships identified still hold good.

8. Again to re-emphasise, this term is used descriptively to avoid inflicting the somewhat clumsy construction utilised above (‘the nature of the production/service regime’) repeatedly upon the reader.

9. Approaching the same phenomenon from a radical perspective Burawoy (1985) styles this ‘hegemonic despotism’; ‘the tyranny of capital mobility over the collective worker’ (ibid:150) allowing management ‘to command consent to sacrifice’ (ibid:127).

10. The use of ‘in-house’ modes of representation in the guise of ostensibly independent Staff Associations has long been a feature of the banking and finance sector. Such bodies have similarly been dismissed as attempts by employers to keep trade unions at bay (cf. Kelly, 1996:56).

## CHAPTER FIVE

### THE EFFICACY OF NON-UNION VOICE

The previous chapter investigated the managerial motives underpinning the presence of the representative structures in each of the three study organisations. Taken together goals were seen to relate to both ‘industrial relations’ and ‘market’ participation, that is the pre-empting of trade union influence and the release of a range of organisationally benign individual skills and competencies. Typically, however, the aims pursued via traditional modes of voice are couched in terms of the furtherance of collective *employee* interests, rather than those of the enterprise as a whole. This chapter, therefore, shifts the empirical field of analysis to the employee side and seeks to interrogate the utility of such structures from a workforce perspective.

Within the introductory chapter reference was made to the presence of a perceived representation gap within the UK. Drawing on 1998 WERS data it was observed that while the majority of employees are indeed nowadays without trade union representation, a significant number of such workers nevertheless have access to non-union consultative structures. To what extent, therefore, do such bodies serve to effectively articulate the interests of employees, and do employees under such structures feel empowered in having the ability to formulate and shape the decisions that affect their working lives? These are the central themes considered in this chapter.



A formal conceptualisation of the NER phenomenon was undertaken in the introductory chapter. It will be recalled that these bodies represent wholly managerial creations and lack formal linkages to the external trade union movement, they are perforce totally dependent upon their managerial patrons for funding and indeed all forms of resourcing. A key theoretical issue with regard to this mode of representation, therefore, centres on its autonomy, i.e. the degree to which such bodies are free from managerial interference. Relatedly, and more specifically, the data in the previous chapter demonstrated that such representative bodies are apt to be exposed to managerial attempts at ‘acculturation’ - the managerial desire to foster an alignment of interests. So, what added problems does such overt ideological pressure place upon the voice process, particularly given that a formalised counter ideological bulwark may well be lacking? This question is additionally considered.

As will be discussed below, the extant literature expresses broad dissatisfaction with NERs as mechanisms of voice provision. While at an empirical level these studies provide invaluable data, there are nevertheless severe limitations within the contributions. This arises from the essentially descriptive nature of the accounts that are unsystematic in their treatment of NER voice provision. Although various deficiencies are catalogued, the studies fail to connect these into a coherent analysis. More particularly, with regard to the multi-faceted concept of ‘voice’, the term is prevalent in the literature, yet it remains largely undefined lacking an explicitly stated theoretical framework. There has to date been no attempt to distinguish analytically the various components, and explore the multi-dimensional nature of the construct, notwithstanding the presence of an array of conceptual tools that might potentially facilitate a more penetrating and nuanced understanding. The present



treatment seeks to go beyond extant contributions by providing a framework for both an empirical and theoretical analysis of the utility of these institutions as theatres for the provision of collective voice.

This chapter is divided into three sections: initially the literature germane to the topic of NER voice provision is summarised. Drawing on these empirical observations it is evident that a range of defects within this mode of voice have been recorded; deficiencies that merge markedly around a uniform set of themes. It is, therefore, argued that by default the central components of the voice construct may be plotted with some degree of confidence. This gives rise to an analytical framework comprising four concepts - power, autonomy, competence and legitimacy - that is subsequently used to examine voice provision in a systematic and structured manner. Pulling on the wider disciplines of sociology, political science and democratic theory, the discussion moves on to operationalise and elaborate on the contours of the complex concepts delineated. Armed with some conceptual clarity, the study then proceeds to explore the efficacy of the voice process in each of the study organisations. The substantive analysis is split into four data sections, with each representative structure considered in turn along the principal dimensions articulated above. The final sections draw out the key analytical themes and afford a comparative assessment of voice in the three study organisations.

## **5.1 Insights from Existing Data Sets**

As discussed in the previous chapter, the extant literature dealing with the NER phenomenon has largely approached the topic from an organisational democracy

perspective, typically suffused with an implicit normative preference for orthodox trade unionism as a counter to the apparent democratic deficit. Although as noted these studies are essentially descriptive in nature, they nevertheless provide a useful source of data within which to explore the contours of effective voice. Two approaches may be distinguished; firstly, there are those studies that track non-union representation in a post de-recognition context (cf. Lloyd, 2001; Watling and Snook, 2001). Characteristically employers seek to reassert a power balance more favourable to management and the voice process is thus observed against the backdrop of a reorientation and decline in employee influence. For the researcher this usefully serves to throw into sharp relief various shortcomings in voice provision. Conversely, another group of studies may be distinguished where NERs are emplaced in organisations with no history of unionisation - often new start ups (cf. Broad, 1994; Gollan, 2001). Clearly such studies lack the comparative dimension that is often present in the former where voice is judged against a trade union benchmark, but nevertheless, analytically both sets of studies coalesce markedly around a common set of themes. Although the studies are framed within a myriad of organisational contexts, and the representative structures are themselves diverse with respect to constituencies, resources and terms of reference, the overall picture is one of remarkable homogeneity. Given the consistency of findings in this respect there is little to be gained theoretically from a tedious trawl through, and rehearsal of, the individual data sets. Such uniformity may, however, be usefully summarised and abstracted to serve as a basis for analysis. Firstly, the structures are universally deemed as possessing limited power and influence vis-à-vis management, and this renders attempts to modify or frustrate the managerial agenda, or indeed vigorously and proactively pursue an independent set of goals, problematic. Secondly, concerns

are expressed with regard to the capability and expertise of delegates in undertaking their representative function. The tone is broadly one of employees being co-opted into the role of representative with minimal training. Thirdly, given that these structures exist under the patronage of management widespread disquiet is perhaps inevitably expressed with regard to the degree of institutional distance evident between delegates and their managerial sponsors. This feeds into concerns with regard to the extent to which these institutions are free to formulate both policy and strategy independently. Fourthly, the representative-constituent interface warrants comment, the frequency and quality of contact being a clear point of anxiety. This processual aspect of representation is demonstrably multi-faceted but Terry (1999:20) has suggested that constituents might reasonably expect through the agency of their representative to be given access to a range of services. These include: the receipt of information, the ability to raise grievances and indirectly influence the terms and conditions of employment, and more generally, simply have their views sought. Onerous constituency sizes, vacant seats and the absence of formal feedback mechanisms are all seen to hinder the interaction between representatives and constituents, obviating the provision of such core representative services. In view of the above collection of shortcomings the bodies are uniformly viewed as lacking in credibility, particularly amongst important constituencies adversely affected by given decisions. Ultimately the consistency in findings is again replicated in the tendency for the representative structures to prove somewhat unstable, indeed in three of the four studies (Broad, 1994; Gollan, 2001; Watling and Snook, 2001) the institutions are eventually ousted and superseded by trade union recognition agreements.



The above summary facilitates some considerable unpacking of the rather vague notion of ‘voice’. Drawing on these studies effective voice appears to presuppose a basic set of inputs or *resources* that may be organised parsimoniously around four central themes or concepts: power, autonomy, competence and legitimacy. All four of the concepts abstracted will be afforded detailed coverage; however, legitimacy must be differentiated in that it has distinct properties. Suffice to say at this stage that it represents both an input, or resource, *and* a derivative of the voice process. Within the latter context legitimacy must be viewed as a subjectively conferred state concerned with the ‘feeling of oughtness’ (French and Raven, 1968:262); in the words of Suchman (1995:574) ‘legitimacy is *socially constructed* in that it reflects a congruence between the behaviour of the legitimised entity and the shared (or assumed) beliefs of some social group’ (emphasis in original). Such legitimacy if realised, however, similarly captures conceptually an important element of an institution’s access to resources (Chaison and Bigelow, 2002:9). Accordingly, various commentators (cf. Chaison and Bigelow, 2002; Greenfield and Pleasure, 1993, Hege and Dufour, 1995; Hyman, 1997) have invoked the primacy of legitimacy as a dimension under which systems of employee voice should be evaluated. Indeed, it will be argued that legitimacy represents the fulcrum on which the realisation of collective power resources turns; therefore there is good reason to regard it as the *sine qua non* of effective voice.

The four dimensional framework outlined orders the discussion that follows. Initially drawing on the wider disciplines of political science, democratic theory and sociology the main theoretical and analytical issues surrounding the concepts are explored. We then operationalise the four spheres of voice through the provision of

empirical definitions in each instance. The three NER structures are then evaluated along the four principal dimensions articulated. Inevitably the conceptualisations to be developed do not provide totally discrete entities; as will become clear, the distinction between certain aspects of power and the constructions of the other concepts is particularly opaque and requires sensitive treatment.

## **5.2 Power**

In line with the above analysis Greenfield and Pleasure (1993:172) have argued that a necessary yardstick for assessing whether any entity provides true voice for workers is power:

Is the nature of the voice expressed such that it carries with it the power to effectively voice workers' concerns (i.e., does this voice have the capacity to effectively influence decisions with which the workers are concerned?).

Given the close attention traditionally paid to power within the context of trade union analyses such a proposition may be regarded as soundly based. Unfortunately the above scholars fail to seriously interrogate the concept of power beyond the standard sociological offering that 'power is often described as the ability to bring about outcomes you desire' (ibid:178). This is a common enough failing, as notwithstanding the centrality of power to various facets of the employment relationship, the term remains poorly articulated. Such cursory treatment has invoked the criticism from Kelly (1998:10) that 'the concept tends to be used in a purely commonsensical way without definition or explication' by industrial relations commentators; sentiments echoed by Kirkbride (1986a:13): 'the concept represents a major lacuna in the theoretical development of the discipline'. Whilst an applied

study of this kind cannot remedy such an omission, a full examination of the contours of the concept remains essential to any thorough assessment of voice since, as will be demonstrated, power may be manifest in a number of subtle guises.

Michael Poole is one of the few industrial relations specialists to attempt a formal conceptualisation of power. In *Workers' Participation in Industry* (1978) Poole provides a three dimensional model, linking power resources to the extent of participation in the workplace. Poole's multi-faceted view of power thus provides a useful canvas on which to focus the following discussion.

Within Poole's analytical framework, the most obvious interpretation of power is deemed to be 'manifest power' (ibid:13). This 'involves equating the concept with certain of its more obvious manifestations', e.g. income and wealth, formal position within particular societies and organisations, and the scope and range of issues controlled or influenced by particular parties. From the perspective of employee voice, the latter manifestation is the most directly relevant. Operationally a simple continuum outlining the scope and range of issues influenced (or controlled) by the representative agency may be utilised to capture this rudimentary aspect of power. The typologies below draw heavily upon the work of Shuchman (cited in Poole, 1978:26-27) and Bernstein (1976).



**Table 2: The Scope of Employee Participation**

5	Negotiation/collective bargaining: representatives meet with management to veto or approve decisions; if veto management submits modifications
4	High-level consultation: workers initiate criticism and suggestions. Management still has sole power to decide, but usually adopt worker proposals
3	Mid-level consultation: same as below, but the outcome may stimulate managerial re-consideration
2	Low-level consultation: managers give prior notice of certain changes, representatives have chance to voice their views
1	Right to information

With regard to scope (Table 2, above) it should be noted that the taxonomy is an abridged version of the originals. Given that their focus was an evaluation of workplace democracy, very much the leitmotif of the discipline in the 1970s, various higher order categories e.g. joint power or partnership have been omitted. As can be seen, there are a range of variables. Consultation itself is a term that raises immense definitional problems; in part this is avoided by presenting the term as a continuum. The *range* of issues (Table 3, below) provides the second dimension of manifest power, again drawing upon the work of Shuchman and Bernstein the following taxonomy is derived:

**Table 3: The Range of Employee Participation**

10	Investment in new machines and buildings
9	Job security – lay offs
8	Pace: how the job is done
7	Setting wages
6	Promotion
5	Fringe benefits: collective welfare/income (e.g. medical – pensions)
4	Hiring
3	Discipline
2	Training
1	Physical working conditions

As with scope, the categorisation represents a précis reflecting the task in hand.

Likewise, as originally noted by Bernstein (1976:53), the ranking must be regarded as an approximate averaging of the importance placed on these issues by employees and managers. Some care must be taken additionally in not assuming that influence over one issue level automatically confers it on those below it.

Accepting that the above model sketches but one dimension of power, Poole (1978:17) additionally draws attention to the work of so called latent power theorists (e.g. Marx and Bierstedt), who have sought to move beyond the more ‘concrete manifestations’ of power. Here the focus is on power bases or sources; central to this is the notion of ‘resource possession’ (Kirkbride, 1992:72). As Poole (1978:17) advises, ‘it is the general view of latent theorists that no group or class has the capacity to exercise power unless it first develops certain power bases’. Employee power within this framework is classically considered within a trade union context where through collective organisation employees can apply sanctions or impose costs in an attempt to coerce the employer into accepting various demands. Characteristically, the extant literature on NERs suggests that a similar ability to inflict costs upon the employer via strikes or go slows etc is absent, but this apparent lack of ability to unite and bring combined pressure to bear has not been theoretically explored in any way – this study seeks to correct this empirical oversight. Within a unionised setting several studies have pointed to the pivotal role that leadership plays in inculcating and stimulating the collective awareness and activism necessary for the creation of a latent power base (cf. Fosh, 1993; Greene *et al.* 2000; Metochi, 2002). Similarly mobilisation theory (cf. Kelly, 1998; 34-36) stresses the importance and multi-faceted role that leadership plays in the acquisition of collective power resources. The theoretical problem of mobilisation and linkages to latent power

resources, however, must be considered not only within the context of *workforce* mobilisation, but more subtly with regard to the mobilisation of argument vis-à-vis management. While effective leadership would appear to presuppose recourse to both elements, it has been suggested, nevertheless, that reliance predominantly upon the latter may still yield tangible advances. Thus, as Kirkbride has argued (1992:77): ‘even in situations of resource imbalance the weaker party possesses a certain amount of power and one of the forms that this can take is the skilled use of rhetoric and argument’. Kirkbride’s account usefully draws attention to the use of ‘linguistic resources’ (ibid:76), as well as those of a physical and material nature. Central components of the former are deemed to be ‘legitimising principles’ (ibid:77). As Kelly (1998:12) has argued ‘legitimising principles are important because employers not only want production, they also want to rule the workplace with the consent of the workforce’. On the same theme Armstrong *et al.* (cited in Kirkbride, 1992:79) observe that:

In any cultural setting there are certain acceptable motives for action [what we call ‘legitimising principles’] which are in turn, embedded in the characteristic world view (ideology) of that culture.

As Kirkbride advises (1992:79) in his own study of a functioning non-union company council, in order to influence outcomes representatives must ‘identify and articulate’ such acceptable motives. Legitimising arguments proffered by management include their legal right to manage, competitive pressures and the need for efficiency (Armstrong, cited in Kirkbride, *ibid*). Conversely, employee representatives may utilise management’s arguments or ‘consensual principles of justification’ (*ibid*). These may include consistency of treatment, precedent and ethical standards of behaviour (*ibid*).



The third and final component of Poole's model focuses on values and ideology, which are deemed to be 'mental resources' (Poole, 1978:19) at the disposal of management. Poole (ibid) goes on to argue that these 'form a critical link between the other latent or potential aspects [of power] and their actual realisation'. Any evaluation of employee power, therefore, needs to closely consider managerial values and ideology, given that ideological domination may serve to preclude any power realisation. The potential for such an occlusion may be especially acute within non-union organisations due to the absence of a formalised counter ideology, juxtaposed against an often stridently communicated unitarist managerial rhetoric, expressing the norms of managerial prerogative, managerial competence and management's right to manage. The use of mental resources is a theme developed by Lukes (1974: 28; cf. also Hyman, 1975:26):

Is not the supreme and most insidious exercise of power to prevent people, to whatever degree, from having grievances by shaping their perceptions, cognitions and preferences in such a way that they accept their role in the existing order of things, either because they see it as natural and unchangeable or because they value it as divinely ordained and beneficial?

Although this topic is an apposite area of inquiry, it is evident from the above discussion that the use of 'mental resources' is thematically more *directly* pertinent to an evaluation of *managerial* power, rather than that of an employee group. The mobilisation of such ideological resources by management may have important ramifications for the ability of NER structures to shape and implement an independent agenda. This is a theme that is central to the notion of institutional autonomy, as managerial attempts to influence employee preferences *a priori* through the internalisation of managerial norms, e.g. via systematic briefing, have the potential to prevent opposition from ever surfacing; accordingly full coverage is

provided under that heading. The immediate task, however, is that of appraising the manifest and latent power resources of the three NER structures under review, the principal areas of inquiry being their terms of reference, both formal and informal, and issues appertaining to the mobilisation of both people and argument. It is to that task that we now turn.

### 5.2.1 MediCo

Although the analytical framework utilised here is built around four concepts, power represents the only one of these abstractions referred to directly by interviewees in any of the three organisations. This convergence in vocabulary between the academic and the vernacular is demonstrative of the pivotal role of power as a component of voice – certainly in the eyes of MediCo employees it was very much regarded as the pre-eminent variable. Indeed, within the survey 77% of employees agreed with the statement that: ‘the balance of power between management and employees is too heavily in favour of management’, sentiments reflected in the following characteristic comments:

My perception of the ECC at the moment is very similar to what it was before, I think the majority of people are on there for the right reasons – but I think they have no *power*. (Tank-room operative)

I don’t think that you have any input at all, don’t get me wrong I enjoyed being on it, but for something important I don’t think that you have any *power* whatsoever. (Ex-representative)

Reference was made above to the commonsensical use of the term power within the discipline of industrial relations. That the above non-academic community might use the concept in a rather imprecise manner is understandable; however, if we move away from the matter-of-fact and seek to engage in a more thorough theoretical

analysis is the body genuinely powerless, or is it perhaps wise to heed Batstone and Gourlay's (cited in Kelly, 1998:11) caution that, 'as long as the employer wants production the workers have some degree of power'.

### *Manifest Power*

Drawing on the typologies outlined in Tables 2 and 3, the most salient finding relates to the limited scope of discussions, which does not extend beyond the terrain of consultation. While the senior management team were anxious to portray the annual pay review as a negotiating process the reality of the situation, as demonstrated in chapter 4, is that pay settlements represent in practice a *fait accompli*, with representatives possessing no right of veto. The annual pay review may be viewed at best as a process of 'mid-level' consultation (see Table 2), in the sense that the discussion *may* invoke some managerial re-consideration, albeit of a fairly marginal nature. Unsurprisingly, the higher ranking categories of investment, pace, and job security were very much the domain of unfettered managerial prerogative; in the context of the former two categories representative 'participation' was limited to top down information provision.

Job security or redundancy is subject to legislative regulation; by law management are required to consult with employees or their representatives. In terms of Table 2 the consultation process, however, may again most accurately be styled as 'low-level' consultation. As similarly discussed in the previous chapter the plant has recently experienced redundancies; although representatives were involved in devising a selection mechanism, any discussion of the number of employees affected or the business case for the course of action was strictly off limits.



Promotions, training and hiring while ranked fairly low in the above schema are not included at all within the terms of reference of the body. Similarly, there is limited influence over fringe benefits. Finally, at the bottom end of range, the issue of physical working conditions was very much live at the time of the research.

Repetitive strain injury in particular was common amongst line operatives due to the very short cycle time in operation. Nevertheless, while such issues were raised at council meetings the topic was effectively subsumed under the banner of 'how the job is done', an area of unfettered managerial prerogative.

In sum, the above account mirrors much of the extant research into these bodies with the influence of the institution extending no further than mid-level consultation on a fairly limited range of issues. There is, therefore, to use Poole's technical terminology a relative absence of manifest power.

### *Latent Power*

Although Poole presents latent power as a discrete second dimension there is a complex interaction between power of a manifest and latent nature; indeed the limited remit of the institution is largely explicable in terms of the body's impoverished latent power base. Typically where interest representation is concerned, this component of power is discussed within a trade union context. The proxy variable of union coverage allied to a subjective component - Offe and Wiesenthal's concept of 'willingness to act' (cited in Kelly, 1998:12) - is seen to afford trade unions variable quantities of latent power. There is, however, no *a priori* reason as to why a non-union workforce should not similarly engage in collective action. Certainly, there is evidence of employee belligerence to managerial proposals

surfacing in non union settings (cf. Lloyd, 2001), and of such rancour achieving tangible concessions (cf. Scott, 1994:121). Earlier in the chapter, the lynch-pin role of leadership in employee mobilisation was briefly discussed. A key facet of MediCo, and indeed all three studies, however, was the largely inert stance taken by the representatives vis-à-vis their constituents. Certainly the incumbent delegates at MediCo viewed their day-to-day role very much as passive ciphers of information, with seemingly no attempt made to instill into employees any sense of collective awareness and activism, as two representatives remarked concerning the pay talks:

If we said to them [employees] we totally disagree, we should withhold our services for a day it wouldn't work, you wouldn't have the backing. I don't think there is anyone here who would actually say I am not coming to work one day because the pay deal is not enough.

Management have to really negotiate with unions because the unions have *power* – we have nothing. We can't go back to the workforce and say we don't want you to accept this, we will do a go slow or a work to rule. We can't can we?

The above passages are informative in demonstrating the inertia of representatives and the absence of proactive behaviour on their part. That collective action might require actively engineering via a process of persuasion and through the imbuing of employees with a sense of injustice (Kelly, 1998:35) is overlooked, or not considered. Attribution for workforce passivity is placed firmly on the shoulders of the employees themselves, rather than directed more introspectively towards the representative group. Interestingly, this inactive stance may be contrasted with that of one of the previously more belligerent crop of representatives, later to resign, who had sought to orchestrate collective action during the imposition of the lump sum payment:

They [employees] are toothless. There are about 30 setters, they set up the lines here, without them the place does not run - they have to do overtime. I

said right let's get all the setters together and do an overtime ban - they will struggle to run the place. Most of them [setters] said no, you can't do that, they will lose too much money. What about the money they are going to lose over the next 10 years? They weren't interested and they were the ones most affected by it – they chose not to do anything, that's why I call them toothless.

Notwithstanding the above comments, it is evident that within this setting characteristically leadership traits failed to surface, while on the rare occasion that they did, calls for some form of mobilisation still met with a negative response. The reasons underpinning both representative and employee passivity are only explicable respectively with reference to the wider concepts of autonomy and legitimacy, themes to which we will return.

Ethnographic research, including observation of various ECC gatherings, similarly suggests that this group of representatives were ineffectual in terms of the mobilisation of *argument*. Typical of this was one incident when there was an alteration to the shift working pattern on one of the 'viaflex' production lines. Employees who had formerly worked a continental rotating three shift pattern were switched to constant days with a concomitant loss of pay. As the exchange below demonstrates, the ECC chair invoked the 'legitimising principles' of precedent, equity and fairness to argue that a period of notice should have been given:

ECC chair: It has come from viaflex that people are not getting notice to change shifts. When LVC<sup>1</sup> switched from three shift to two shift they were given 13 weeks shift premiums if they changed, but in viaflex changing from three shift down to days they have received nothing - it is a big change [in money].

HR director: As a principle we should give as much notice as possible, but if you get into blanket rules it never deals with the person with difficult circumstances.



ECC chair: What is the law regarding change to work? Why was LVC given 13 weeks notice money and viaflex not given that option?

HR director: If we as a management group make those decisions we should be hoisted by our own petard, this draws you into a situation where you have black and white rules.

ECC chair: LVC got 13 weeks money - you offered it, they just want the same as them.

HR director: Fine - but if you treat all the people the same it will be difficult, it is like a convoy it will be pushed back to the slowest ship - you know I steer clear of hard and fast rules.

It is apparent from the above exchange that the more coherent and considered argument came from the employee side. While the HR director was seeking vainly to counter the representative's reasoning by invoking the legitimising principle of the need for flexibility, his thesis was inarticulate and rambling; yet the ECC chair failed to press home the advantage and ultimately the shift workers were not compensated. Kirkbride (1992:78) invokes a similar exchange from his Bettaclave Placid case study where again the more cogent argument was offered by the employee side, yet likewise the management team achieved ascendancy in the tussle. Kirkbride dismisses resource inequality as a totally acceptable explanation, and certainly within the above episode at MediCo there were other shortcomings that compromised the ability of the body to secure compensation for this group. Firstly, the representatives failed to achieve a potential quorum of six - only three were present eliminating any impression of a united front behind the issue. Secondly, as within Kirkbride's study, there was a failure on the employee side to muster all the potential power available to them, namely managerial insecurity in and around the issue of unionisation. No attempt was made to link such inconsistencies to the potential 'triggers' (Kochan *et al.* 1980: McLoughlin and Gourlay, 1994) to unionisation and/or to talk up the

possible consequences of a failure to reach agreement. As Kirkbride (1992:74) advises:

It may be argued... that the key variable in a power relationship is not the possession of resources by one party but the perception of those resources by the other. Thus, an essential part of the negotiation process involves attempting to inflate artificially in the minds of one's opponents the resources under one's control and the cost of disagreement.

Indeed, as will later be demonstrated in the FridgeCo study, it is possible in such instances for intelligent and astute leadership to yield tangible concessions, notwithstanding the absence of obvious power resources.

### 5.2.2 FinanceCo

As noted, it is a commonplace within studies of NERs for such bodies to be primarily criticised by employees as lacking in power – the FinanceCo PC was unexceptional in this respect. Indeed this was a core theme within the IPA report where an array of disparaging metaphors were evinced. The following examples are demonstrative:

PC is a sham which lacks teeth and the views of the employees are ignored frequently.

I do not approve of trade unions but I feel that partners' council is a toothless waste of time. On important matters management push through what they want anyway. Performance related pay and IT call out rates are two examples of this. Staff don't have any real say on anything really important.

A more nuanced analysis of power again, however, suggests that the above represents a rather blunt critique.

## *Manifest Power*

Power in its manifest form was operationalised above via a model that distinguished between the 'scope' and 'range' of participation. It is noteworthy that while, as within the MediCo study, scope did not extend beyond the terrain of consultation (as distinct to negotiation), there was nevertheless more of a tendency for consultation to stimulate managerial re-consideration. Within the terms of the model mid - as opposed to low-level - consultation was invoked more often. Furthermore, with regard to 'range', such re-consideration was not limited to the lower ranking categories, e.g. training and physical working conditions, but at times extended to strategically important decisions concerning corporate structure and job security - the very areas in which it might be expected that management would defend its prerogatives most vehemently. This was graphically demonstrated when the company restructured to a multi-divisional format. This move involved the devolution of staff to the relevant business units in various functional roles e.g. IT, marketing, HR and finance, whereas others remained in a group-wide capacity; in total 160 positions were re-defined. In this instance, the head office council exhibited a degree of influence, particularly in the arena of manpower deployment, notwithstanding the fact that this was a strategic decision. Under the terms of the constitution in such instances the consultation process technically is triggered to deal with issues of procedure, rather than matters relating to the substantive decision or change. Despite the formal remit of the institution being procedural, that of acting as a communications channel particularly for employees with concerns regarding re-deployment and career progression, PC input was nevertheless taken on board. The most significant modification was the maintenance of the internal communications department as a group-wide entity which did not form part of the original managerial



blueprint. The PC was able to identify a range of business benefits highlighting the importance of such a function:

A whole department was going to go at one point and then it didn't. The whole role was kind of considered not necessary, and then it was considered necessary again. The department went themselves directly to the director and said: 'look you don't think there is a role for us, but what about this, what about the other'. The role of the council came in because we were able to support our colleagues in that respect because we were able to say: 'here is the feedback from everybody else and they have all said why is this department going?' There was a role for the council because you would expect that if people are being made redundant then one reaction would be: 'oh how could you possibly make us redundant, we feel worthless, we are not worthless' - it is a natural response. But when you have got other people from other departments or other areas within your division backing you up, and saying: 'not just because I like you, but who the hell is going to do what you have been doing all this time' - it gets a lot more [attention]. (Ex-representative)

Echoed by a current representative and grade B manager:

I was able to talk through some of the management issues as opposed to simply saying the staff would like to [unclear]... What is the benefit to the business? As a manager you could start talking through the benefits of the business and sell it as a business benefit because everybody wants something, but the business has got to see some benefit to it.

Likewise at retail level, there are instances where the consumer PC has served to both further and protect the interests of various groups of employees. The overall trend at retail level has been towards the re-fashioning of the branch network into finance shops and the removal of non-selling activities such as mortgage processing to regional centres. Two branch re-structurings had taken place within the two years directly prior to the research. Given that these re-organisations are again essentially strategic business decisions, making certain *roles* rather than people redundant, under the terms of both the constitution and legislative requirements such decisions fall outside the remit of the need for prior consultation; while consultation is invoked management make no apologies for this not taking place while the proposals are at a

formative stage. Ostensibly the process is again procedural rather than substantive - one of explaining the rationale for the decision.

Notwithstanding the limited *de jure* remit of the retail council in such instances, accounts were offered of the council being utilised to modify proposals as a means of improving the technical quality of the final decision - typified during the March 2000 re-structure. The proposals as originally formulated envisaged *inter alia* the abolition of the roles of 14 customer support managers (CSMs). These performed a training and coaching function for both customer service managers and advisors - under the proposals this function was to be undertaken by the area management. PC input served to highlight the detrimental impact that such a cut would have, given the specialist knowledge brought to bear by a dedicated group of in-house trainers. As a result of feedback the re-modelled role of area sales and business coach was created. As the head of Eastern retail noted:

We have inserted the involvement of the PC into the [re-structuring] process. Now, whilst we are not expecting any googlies to be thrown in, I would counter that by saying actually one of the structural changes that we went through 2 or 3 years ago we went to the PC and we put the structural change to them and they came back [to us]. With regard to one particular role they made a recommendation for change, and those recommendations were accepted and implemented.

Significant as such incursions were into the terrain of managerial prerogative, it is noteworthy that the situations described involved a largely 'integrative' subject matter, with consultation centring around objectives congruent in nature, a reflection of the formal terms of reference of the body that broadly eschew potentially divisive subject matter. In the words of Walton and McKersie (1965:5) 'such [integrative] objectives are said to define an area of common concern, a problem'. Significantly



when discussions involved a more distributional set of issues, managerial receptiveness to PC input was far more qualified. As discussed, the quantum of the annual pay award is beyond the formal terms of reference of the institution. Nevertheless, consultation has been invoked recently with regard to other similarly potentially divisive areas, but with minimal impact on outcomes. For example, at head office both employees and representatives were critical of the fact that modifications to the profit related pay scheme had introduced differentiation between grades, and that similarly the removal of health care benefits for retirees had been driven through unilaterally by management with merely ‘lip service’ being paid to the consultation process. In terms of the ‘scope’ of discussions, at best this amounted to low-level consultation, i.e. representatives being given prior notice of change. Likewise, as discussed in chapter 4, at retail level a host of branch closures took place in the late 1990s. While several branches took the opportunity to submit very detailed business plans, outlining branch viability, the cull took place as per the original blue-print. So why was any manifest influence restricted to situations offering the potential for positive-sum outcomes at the expense of more distributional matters? To probe this question there is inevitably a need to move on to a discussion of the latent power resources of the two divisional bodies under review, both of which differ subtly in view of their distinct compositions.

### *Latent Power*

A feature of the FinanceCo representative model is the extent to which its very structure militates against the formation of power resources. In contrast to the traditional vehicle for employee expression viz. trade unionism, an attribute of this format is its very oecumenical nature - each of the six divisional councils is an



amalgam of fragmented employee groupings. Divisiveness and sectionality is therefore, apparent, particularly within the head office council. Here the constituency includes bar staff and filing clerks through to systems analysts and lawyers specialising in compliance. If as Goodman (cited in Kelly, 1998:11) has argued, the exercise of power requires group cohesion as a pre-condition this council structure is clearly a format inimical to the generation of latent power. A useful way of conceiving of the impact of this upon latent power is to consider mobilisation in terms of a number of stages or hurdles. If the pre-requisite of cohesion is lacking, in this instance due to an absence of a distinct occupational identity, any ability to engineer a *collective* employee response to discrete employee demands is likely to be found wanting.

Of the two councils under review at FinanceCo, the retail body is the less inclusive and, therefore, offers the more solid foundation on which to build a latent power base; indeed senior managers viewed the branch network as the more likely trade union target. The membership is largely compressed within the two lowest gradings (D and E). Furthermore, there was a widespread belief amongst retail employees that terms and conditions of employment were inferior to those enjoyed by head office staff, feeding into a marked degree of antipathy towards non-retail functions. The following was a standard complaint:

There is definitely a feeling of them and us. They [head office] get a lot higher rate of pay than we do and that is coming up time and time again. You can go up and be a CSA in the main office and your pay is as good as a manager in one of the branches - all the time that comes through. (Retail area sales and business coach)

Such antagonism towards head office affords the nuclei of a latent power base, given that such a feeling of relative deprivation is a broad theme around which the mobilisation of collective interests might coalesce. However, the council structure appeared to act centrifugally, characteristically emphasising the parochial agenda of the sub-groupings rather than mutual concerns. Although the constituencies are all retail based, and fall within the lowest two grade bands, there is nevertheless a marked heterogeneity of function militating against group cohesion. In particular the two prime sub-groupings representing the CS (cashiering) and A and G (sales) teams pursue independent agendas within the meetings. The topics that interest the former are predominantly house keeping type issues, such as uniform and heating, partially reflecting lower career aspirations, while the latter are more preoccupied with remuneration matters, given their largely commission based pay structure.

Parochialism and sectionalism likewise feed into an inability amongst council chairs to colonise the wider representative apparatus to press employee demands. The divisional councils are essentially inward looking; this inherent insularity ensures that within the meetings of the group body no combined influence is brought to bear. There is in any event virtually no bi-lateral contact between the councils. Ultimately the lack of a community of interests at intra-council level is mirrored within the group wide body - again a myriad of fragmented interests frustrates any sort of coherent response. The newly appointed full-time representative charged with co-ordinating the divisional councils acknowledged the inherent contradictions and tensions within the model:

We need to have separate councils because business units are very different, but there needs to be some kind of united PC. It is no good saying that mortgages think this but we totally disagree - where are we coming from on

this then? We have to know at the end of the day what stance PC are taking on an issue - but sometimes there won't be a common position because you have to understand the diversity of the business units.

Over and above the inherent sectionalism it was evident that again an absence of leadership frustrated the creation of any significant latent power base. Given the inclusive nature of the councils under review, there are few issues that potentially provide a nucleus for the mobilisation of *all* the internal constituencies – however at retail level the branch closure programme provided one such rare opportunity, since it was a measure that would inevitably have uniform cross functional implications. Nevertheless, in terms of leadership, it was evident from retrospective discussions with representatives that no attempt had been made to frame the issue in collective terms with a view to constructing a broad alliance against the proposals. Certainly some representatives were active, notably in submitting business plans, but only towards protecting their individual branch locations. As at MediCo the leadership required to trigger collective mobilisation - in this instance through the re-formulation of discrete branch interests into a collective issue - was again absent.

Finally in this section turning to the theme of mobilisation of argument it is worth reiterating that the inclusive nature of the PC format is not totally detrimental to the voice process, notwithstanding the sectionalism catalogued earlier. Especially within the context of the head office council the breadth of the body fuses a range of managerial specialisms e.g. law, accounting and HR. In consequence, unlike the positions at both MediCo and FridgeCo (discussed below), the theoretical frameworks and lexicon utilised by the executive body to justify major decisions (e.g. restructurings) are part of the everyday vocabulary of many representatives. It is



of note that where the PC has been influential in shaping major decisions, e.g. the decision to maintain a central internal communications department, the ‘legitimising principles’ utilised were management’s own - that is, efficiency considerations.

Likewise, within the context of the retail council, the maintenance of a permanent coaching function was based around the quality of service delivery, i.e. – retail efficiency. It is ultimately the ability of the councils to muster a coherent business case, the competence to argue on the very terrain of senior management, that represents the potential strength of the PC model. As noted, however, managerial receptiveness is very much restricted to those situations lending themselves to positive-sum outcomes, rather than those of a more distributive nature, that ultimately appear to presuppose a more robust set of resources, i.e. the mobilisation of *both* argument and a collective workforce consciousness.

### 5.2.3 FridgeCo

#### *Manifest Power*

Any discussion of power within the context of the FridgeCo company council needs to be placed within the wider framework of the parent-subsidiary relationship, itself conditioned by the financial plight of the company. A crucial mediating factor with regards to the presence of manifest power was the limited degree of financial autonomy ceded from the Malaysian conglomerate to its UK subsidiary; both overall salary levels, and indeed all forms of capital expenditure, were subject to strong central control. It was a commonplace throughout the study for both managerial and non-managerial actors to bemoan the number of seemingly relatively minor decisions that required head office approval. In one instance the proposed appointment of an occupational nurse was an ongoing ‘action point’ on the minutes

from October 1998 until the appointee's eventual recruitment in early 2001, while head office approval was awaited. Likewise, a request from clerical staff for an extra photocopier was a live issue for 9 months before head office eventually declined to sanction the expenditure. The following comments are indicative of the frustration of representatives:

There are so many things on there [minutes] where we are still waiting for answers back from Malaysia that have been carrying on from as, well almost as long as I have been on the company council.

If we were dealing with a management that could actually make on the spot decisions it would be far better and the company council would probably work a lot better. But because we are dealing with people 16,000 miles away it is third party all the time. It is difficult, and a lot of the people on the shopfloor do not appreciate that, they think that decisions should be made overnight, and they aren't.

It was, therefore, evident with regard to the more important areas of the employment relationship that the representative body was not involved at the actual focal point of the decision making process; while the *level* of participation was enterprise based, all important decisions were taken at one remove by the parent. Expressed theoretically, 'participation potential' (Walker, 1975:447) is clearly diminished in such situations of limited subsidiary autonomy. What influence there was, was transmitted somewhat tortuously via the agency of the production director to head office. Thus, in terms of both 'scope' and 'range', constitutionally the body had consultation rights in all the areas that were previously subject to collective bargaining. However, in the crucially important area of wage determination, by the time of the research this amounted at best to a process of 'low-level' consultation. Representatives could voice their opinion, but in view of the financial plight of the company juxtaposed against the lack of direct contact with the parental decision makers, the ability to stimulate any sort of managerial re-consideration was largely absent. Indeed, this

similarly applied to matters at both ends of the 'range' spectrum. As noted in chapter 4, the recent redundancy decision was presented as a *fait accompli*. Likewise, as will be discussed later in the chapter, the issue of physical working conditions was a matter of employee concern, but remained subject to strong local managerial prerogative. There was, nevertheless, one important example of significant influence being exercised: prior to the move to the new factory the council was effective in achieving concessions for production workers over the introduction of shift working. In order to understand how this incursion into a higher domain of manifest power had been achieved it is necessary to unpick the events through the lens of latent power.

### *Latent Power*

Prior to the transfer of production to the new facility the plant had operated a one shift pattern: 8am - 4pm. In order to obtain the necessary output from the new cellular production format it was anticipated that ultimately the plant would move to a continental rotating three shift regime. As an interim measure it had been decided that on opening, the new factory would run two shifts: 6am - 2pm and 2pm - 10pm. The domestic management were aware that the transition would require some financial concession, and in a special council meeting representatives were informed by the financial director that head office had authorised a premium of 7.5% for employees working the late shift, but that no premium would be paid for 'earlies'. The initial offer was widely viewed as derisory by the workforce and roundly rejected by the representatives, a typical comment being:

They offered 7.5% per cent at the beginning, we said straight away that is no good, they are laughing at us.



In the final event the council was instrumental in getting the premium for the late shift increased to 15% and a 5% bonus introduced for employees working the early shift. The whole process was redolent of a negotiating rather than consultation process; so what latent power resources were brought to bear to achieve this apparent concession?

In the introduction to this chapter the pivotal role of leadership was stressed as an influence upon collective power resources. It is noteworthy that this episode contained one of the very few examples of behaviour redolent of leadership from amongst the three data sets. In particular representatives were adept in transmitting employee rancour to management via the mobilisation of argument. This can be divided into a number of elements. Firstly, the more vocal members of the council took the unusual step of calling for, and holding, a pre-meeting prior to the official gathering to discuss what would be an acceptable managerial concession.

Consequently during the formal talks with management they were able to act as a caucus and present a unified front in unreservedly rejecting the original offer.

Secondly, a counter argument was successfully mobilised to reject managerial exhortations of the overriding need for profitability. The ‘legitimising principles’ (Kelly, 1998:12) utilised concerned appeals to equity considerations; the rejection of the original offer was justified on the basis of it being an unacceptable *quid pro quo* for the wholesale disruption entailed to employees lives via the working of unsocial hours. Crucially there were two ex-shop stewards on the council who skilfully utilised their remaining linkages with the by now AEEU, which framed the issue externally in strong and emotive terms. Under the banner headline of *Shifts of Shame*, the local newspaper carried front page claims by the AEEU

regional officer that the town's largest employer was seeking to 'coerce' employees over work hours. This served to broadcast the perceived improper treatment of employees to a wider audience, acting to embarrass both the local - and more importantly - the Malaysian management. A further strand in the mobilisation of argument was the adept use of 'linguistic resources'. Again the representatives stressed the potentiality for a counter sanction - albeit one of an individual rather than a collective nature, i.e. exit. The following comment is indicative of the tactic:

I took it to my constituency; they said: 'no chance' So I went back with the other reps and we turned around and said: 'no this is unacceptable people won't work for this - *they would rather hand in their notice.*

Within a very tight local labour market this skilfully served to amplify the potential cost to management. Finally, the ex-shop stewards were again proactive in making primary and tentative moves towards a more *collectively* based response, i.e. workforce mobilisation, by seeking to imbue employees with an enhanced sense of injustice, building upon the already widespread ire of much of the workforce.

Basically they [employees] weren't being told anything by management, they were only hearing rumours - so I took it on myself. Now I am allowed 8 hours per month to talk to people and I probably took 6 hours in one day. I went around each department *and stopped it*. I called them for a meeting and told them exactly what was going on. I thought it only fair because it was getting to the time when the shift system was coming in, they needed to know- *and I told them!* I stopped them and called a meeting like you would a shop steward, they stopped the machines, stopped the line or cell, then they got back to work after about a quarter of an hour, twenty minutes. Yes we did have a bit of an influence.

While falling short of any decision on collective action, at the very least such histrionics sent an unequivocal message to management demonstrating collective employee concern, emphasising the strength of feeling on the plant.

An interesting facet of the consultation process in and around the introduction of the shift premium was the rapidity of the managerial counter offer. Although it was originally minuted that the finance director would 'discuss the issue with head office', the revised bid came in within a matter of days, in contrast to the lengthy procrastination that typically surrounded all financial matters. Indeed, when pressed on the issue the production director conceded that head office had authorised the potential payment of an enhanced rate prior to the consultation process - but only if such a concession proved absolutely necessary. This episode demonstrates that while such structures are characteristically viewed as lacking a latent power base, incapable of blocking managerial proposals, intelligent and proactive leadership can nevertheless, in certain situation, potentially achieve tangible employee gains.

It is a truism of industrial relations that the balance of power between labour and capital is in a constant state of flux, captured in Carter Goodrich's (1975) 'frontier of control' metaphor. This remains applicable within a non-union context, although the parameters of variation are normally weighted more or less strongly in the employer's favour. It is of note that the above events occurred 12 months prior to the research commencing, and were recalled retrospectively by representatives in a somewhat melancholic manner. One year later the power dynamics had changed to the detriment of the council: the introduction of shift working did indeed result in a steady exodus of longer serving employees unable or unwilling to adjust to the more onerous shift patterns. The following comments are demonstrative:

We did have a lot of problems about shift working, they just did not want to do it. There was a lot of problems with the older workers where they had been here 20 odd years and did not want their lives turned upside down.  
(Company council representative)



It is one thing to put something on paper, to put it into practice is something else. A lot of people found that whereas they said yes they would do permanent lates, or rotate, when it actually came to do it they found they could not manage – so a lot of people have left through it. We had to have a recruitment drive and a lot of the people we have got are agency workers to fill the gaps. (Company council representative)

As the latter comment hints at, it was at this time that the number of foreign agency employees began to burgeon, a group not formally covered under the representative body's remit. Initially brought in as a short term measure to alleviate problems caused by tight local labour market conditions, it was clear that by the time of the research their heavy use had become more strategic. Given the financial pressure on the company the utilisation of agency staff had become increasingly attractive due to the inferior wage costs - £4.40 per hour as opposed to £5.28 for a directly employed semi-skilled worker. More particularly, the company had become increasingly reliant on such staff for overtime working at short notice. A contentious issue was the number of foreign employees working so called 'double shifts', i.e. a 16 hour day from 6am to 10pm, where worker fatigue was perceived as causing health and safety problems. A clear core-periphery pattern was evident; however, paradoxically the outcome was a partial inversion of orthodox models manifest in a poorly paid set of employees on full-time contracts, juxtaposed against a foreign component well rewarded by their own domestic standards.

Throughout the preceding 12 months the issue of a further pay review had been very much dominant. It was nevertheless evident that the perpetual supply of agency workers was serving to keep wage levels artificially depressed. Within one council meeting the production director's statement that the pay review was ongoing was met with derision born out of a frustration that reflected an effective 5 year wage

freeze. After the meeting it was ‘in confidence’ noted that the reality of the position was that there was no reason to give a wage increase since the domestic management had somewhat serendipitously stumbled upon a ready supply of cheap foreign labour. Accordingly, the argument fed back from Malaysia was ‘why should we pay an increase just because they [staff on permanent contracts] are English?’. Ultimately the systematic replacement of local workers with foreign agency staff had expunged managerial concerns over employee attrition, mediating the body’s prime source of latent power, rendering further managerial concessions on pay over and above the shift premium remote.<sup>2</sup>

#### 5.2.4 Power: Summary

Power comprises theoretically the most complex of the concepts enunciated within the voice construct and a considerable amount of ground has been covered in the preceding discussion. It might be apposite therefore at this juncture to pause and take stock. As noted, extant analyses of NERs posit limited power resources as serving to undermine the efficacy of these structures as mechanisms for employee voice. Such research, however, has failed to interrogate theoretically the complex nature of the term, hindering the development of a more discriminating understanding of the apparent deficiencies (and indeed any strengths) of such structures. The more sensitive treatment afforded above, while again acknowledging the relatively impoverished level of influence of these bodies vis-à-vis management, has nevertheless demonstrated that the relevant NER institutions are not genuinely powerless, as is commonly portrayed. In terms of manifest power the councils were seen broadly to wield minimal influence within the arena of the set of items traditionally subject to unionised collective bargaining, and this was tracked to the

absence of a credible set of collective sanctions. Nevertheless, it was demonstrated that there remains space for such bodies to secure tangible concessions, or defend existing favourable arrangements, through the exercise of more subtle power resources, i.e. the mobilisation of skilled rhetoric and argument. Two scenarios were delineated. The first was the FinanceCo example where in various significant situations a coherent business case was proffered for modifications to the corporate agenda. It was additionally demonstrated, however, that such influence did not extend beyond items of an integrational (positive-sum) nature. More significant, therefore, was the FridgeCo situation where the company council in one famous instance was seen to wield leverage within a more distributive set of circumstances. Here a wily core of representative actors was able tactically to exploit managerial insecurity and concerns by delineating the potential costs of a particular course of action. Likewise, tentative strides were made to imbue workers with a collective sense of injustice. The distinguishing feature here was the emergence of a far more pro-active set of behavioural traits akin to elements of leadership behaviour. Such favourable outcomes, however, were relatively rare. To fully understand such power dynamics it is necessary to further consider a more subtle form of resource imbalance - the ideological. As will be demonstrated below, under the heading of autonomy, superior 'mental resources' at management's disposal are habitually decisive in obviating an independent employee response.

### **5.3 Autonomy**

Autonomy is a concept that has received comprehensive philosophical examination. The term has its etymological roots in the Greek words *autos* (self) and *nomos* (rule



or law) - literally self rule. The phrase was first applied to the Greek city state; as Dworkin (1995:13) observes 'a city had *autonomia* when its citizens made their own laws' (emphasis in original). The philosophical development of the concept is widely acknowledged (cf. Blackburn, 1996; Lindley, 1986) as owing an enormous debt to Immanuel Kant: 'the autonomous man, in so far as he is autonomous is not subject to the will of another' (ibid:64). Hence, at its simplest autonomy relates to the sovereignty of the individual, or in a collective context, 'the capacity for self government - agents are truly autonomous if their activities are truly their own' (Blackburn, 1996:31). Conversely, elected representatives may be seen as lacking in autonomy if their will is under the control or manipulation of another - ultimately the touchstone of autonomy is freedom from external constraints.

From a range of philosophical positions autonomy is regarded normatively as a desirable quality. However, when the concept is abstracted to apply to committees and other representative organs the merit of the condition becomes increasingly ambiguous. Indeed, in one very real sense autonomy and legitimacy (to be discussed later) are antithetical concepts, as strong objections can be made to a representative organ being too autonomous. There arises a clear tension between 'the interests of individuals as they perceive them and their interests as perceived by others' (Dworkin, 1995:86). Specifically within an industrial relations context Hyman (1997:310) while stressing the importance of autonomy acknowledges the presence of this tension:

The complex interaction between autonomy and legitimacy makes in the words of Regalia for an 'ambivalent and evanescent relationship' [between representative and constituent].

It is evident from the above discussion that autonomy may be evaluated along two principal dimensions: firstly, the independence of the representative mechanism from the employer and secondly, the relationship of the representatives to their constituents. Given that the latter facet will be given coverage under the section on legitimacy, autonomy here is to be understood as autonomy vis-à-vis management.

In terms of operationalisation we are primarily interested in capturing autonomy along two fronts; thematically these frame the structure of the discussion that follows. Our initial focus is the autonomy of the representative structure, i.e. the extent to which the terms of reference, constitution, and overall representative framework are determined by employees and/or their representative agents. Secondly, consideration is given to the autonomy of the resultant representative process and agenda. Theoretically the problem of this mode of autonomy may be further sub-divided; one issue is whether representative agents are subject to explicit and/or implicit pressures that function as signposts curbing and/or sanctioning specific modes of behaviour. More subtly, we return to the theme of ideological or ‘mental resources’ and explore the extent to which attempts are made by management to shape representative preferences *a priori*. It is clear that particularly within the latter context no straightforward objective test may be imputed, and ultimately again there is a need for a thorough and detailed qualitative analysis.

### 5.3.1 MediCo

The application of the concept of autonomy to the MediCo ECC exposes a number of rudimentary fault lines. Perhaps the most problematic is the classical notion of ‘self-rule’ articulated above. The constitution of the body is very much a managerial creation; hence, the terms of reference, machinery of election, tenure, code of

conduct and composition are all managerially ordained, rather than the creation of the institution's core representative actors or the wider workforce. The inherent contradictions presented by such a system when inserted into an espoused pluralist employee relations model was neatly summarised by one supervisor:

Whether it is a self managing group or whether there is a senior manager in the plant that is responsible for the ECC I don't know, but if that is the case we have got a conflict of interest. The senior management team have got to put in place objectives for the plant; at some stage whether it is disciplinary, negotiation or pay incentives the ECC will get involved. If that same person that is in overall control of the ECC is the same one issuing the objectives and then dealing with the ECC, that is trying to challenge those objectives, then we have a conflict of interest.

Such a 'conflict of interest' is played out at its most absurd level during the pay 'negotiations' where the HR director - very much the architect of the body - is contemporaneously the main managerial protagonist; effectively the prime managerial combatant is both adversary and patron.

Management may be very much the instigator and engineer of the representative model, setting out the parameters and rules of engagement, but this need not necessarily result in the total emasculation of voice. Employee representatives potentially have a residue of autonomy to shape their own strategy and agenda of demands – albeit within a specification of managerially prescribed legitimate interests. Indeed, the HR director was anxious to suggest that within the confines of the body's specific remit, the representatives acted autonomously of management:

Being an employee rep is an absolutely no win situation, you get beaten up by the management; you get beaten up by the workers. You know we do some hard talking and they certainly are not management puppets, that would be the fastest route for the whole process breaking down. We have been through that scenario where people thought that they had been management puppets.



So, to what extent do the elected representatives at MediCo function free from the interference of their managerial sponsors? It is of note that while many employees were critical of the body's lack of power, minimal disquiet was expressed with regard to the autonomy of the group. The disparaging metaphors of puppets, stooges, placemen etc that often accompany such studies were very much absent. There was little evidence to suggest that representatives consciously sought favour and patronage via their ECC position, or were subject to related pressures, either implicit or explicit, to adopt a specific stance on issues. As will be discussed, this contrasts markedly with the position at FinanceCo. Nevertheless, as will become evident, interference does occur at a more subtle level - the very representative process imbuing delegates' consciousness with managerial interpretations of given situations.

In chapter 3 the paternalistic style of management, driven by the US parent was depicted. A further facet of the centralised influence upon HR policy is the very strong emphasis placed upon top-down communications. For example, employees are kept abreast of both local and wider corporate matters via weekly team briefings (*Staff Notes*). Additionally, the plant manager conducts a quarterly brief, or *State of the Nation Address*, wherein over a 24 hour period presentations are given to all departmental groups outlining the financial position of the plant and future business objectives. Because of their important function for domestic management as workforce intermediaries, representatives are exposed to a further mantle of media provision. Especially during pay talks, a heavy emphasis is placed on labour costs and plant efficiency, with the linkages to continued inward parental investment made explicit. Delegates are routinely reminded that both sides ultimately derive their rewards and job security from ongoing parental support. The sum total of such

exposure is a tacit acceptance that participation must not be pursued too vigorously, and so impinge upon managerial prerogative. One representative's observations were fairly standard:

The decisions are made by them which is possibly as it should be, I mean they see the whole picture, I suppose we just see our little bit.

The outcome is an ideological dominance manifest in a situation where any rigorous questioning of managerial judgment is deemed illegitimate. This was graphically demonstrated during the imposition of the lump sum payment where a more militant core of representatives, all later to resign, briefly questioned the cogency of the course of action proposed by management. The current chair rather embarrassingly recalled this breakdown in the norms of micro-social convention:

He (ex-chair) would not let it go - he would not let certain things go. He kept on about financial [things], the price of the product, working out how many millions we filter, how much money we have got and how much they can give us, this type of thing - *we were going into it too deep*.

The final comment emphasises the chair's belief that a clear protocol had been breached leading to discomfort within the wider group; the managerial prognosis not being open to question. The resultant reluctance to forcefully press issues was acknowledged by the newest recruit, interestingly the only representative with any previous trade union involvement:

The problem that I have got with the rest of the committee members [is], I think they do a very difficult job, they are in a very difficult position, but I think that possibly they don't push as hard as they could.

In sum, it may be concluded that the lack of co-ownership of the representative machinery problematises the concept of autonomy vis-à-vis management when

applied to the ECC. Given that the parameters of the ECC-management relationship are pre-determined by managerial fiat, this fundamentally subverts the autonomy of the body and in turn mediates the scope of potentially attainable outcomes. Although a residue of autonomy exists, representatives are nevertheless heavily and systematically exposed to the notion of management's right to manage and competitiveness and efficiency consideration. Such norms, once internalised, very much circumvent the ability of the representatives to muster a response to the managerial agenda, particularly in strategically important areas where the process is at its most intense.

### 5.3.2 FinanceCo

As within the above study the notion of autonomy is immensely problematic when applied to the FinanceCo PC. Firstly, with regard to the autonomy of the representative structure the constitution, terms of reference, procedural guidelines and the body's very funding are all managerially derived, rendering the notion of 'self government' antithetical to the representative model. Indeed, this lack of procedural independence and sovereignty was graphically demonstrated during the introduction of the most significant constitutional amendment to date: the appointment of the first full-time representative. As previously discussed, following the workforce ballot on trade union recognition a variety of procedural and structural changes were invoked to the PC format, including the creation of the above post. The position is very much that of a lynch-pin within the representative apparatus. The move was viewed widely as a positive step towards a more effective voice mechanism with incumbents seconded to the post for a period of one year.



While the successful appointee was elected via a workforce ballot, wider procedural aspects underscore the managerial dominance and control of the representative body. Aspiring candidates had firstly to attend a series of pre-selection interviews with the head of group HR and other senior managers, ostensibly to ensure that candidates had the necessary skills and competencies for the position. It became strikingly evident in interviews, however, that the incumbent had a conception of the institution that conformed very tightly to the normative managerial model, with the office holder rehearsing the integrative goals reviewed in the previous chapter. For example, the appointee claimed that her main achievement to date had been the assimilation of the representative process into the performance management system; the performance of representatives in their PC duties is now a component of their annual salary review! At present the scoring of this merely amounts to an assessment of the number of meetings attended and ‘evidence of onward communication’. However, she was keen that more qualitative elements such a ‘productivity at meetings’ should somehow similarly be included within the annual appraisal. The intrinsic incongruity of a representative’s performance being managerially evaluated as a component of their salary review had clearly not been identified and is symptomatic of the unitary outlook of this key player.

As at MediCo problems centred on autonomy were likewise seen to mediate the effective functioning of the day-to-day representative process. In this instance, however, it was the apprehension of managerial censure and the enduring implications that was corrosive of autonomy, particularly evident within the head office council setting, rather than any systematic *a priori* shaping of attitudes.

The inclusive nature of the representative model has been tracked in some detail. It will be recalled that formally the PC covers all employee grades up to - but not including board level - with the subject matter being predominantly integrative in nature. To be sure, the various documentation appertaining to the body implicitly concedes a potential divergence of employer and employee interests<sup>3</sup>. However, the institutional emphasis is on non-distributional issues and the potential points of fissure are consequently downplayed. The terms of reference similarly talk up the need to 'maximise the quality of decision making' imbuing the goals with a managerialist tenor. Especially within a head office context, this attracts a distinct cadre of representatives keen to utilise the apparatus for careerist motives; the process of becoming a representative was very much viewed as a useful adjunct to career development. It was conceded unashamedly that a history of PC involvement was a desirable addition to any FinanceCo CV, with a term of office demonstrating clear and unequivocal commitment to the organisation. Likewise, given the inclusive nature of the institution it was seen to afford a vehicle through which to catch the eye of senior personnel and network within the organisation more generally. In sum, for many delegates PC duties were undertaken for reasons of fairly aggressive individualism rather than any sense of altruism or collective idealism. The following comments drawn from both current and ex-representatives are demonstrative of this blatantly functional approach:

It's good for a couple of reasons; one it is good for personal profile because if you make yourself available to do things, first of all you get noticed. Secondly, you can get involved in things like forums where you are talking to senior managers or whatever. If you are showing an interest in the business they will show an interest in you - you become noticed.

It does a number of things for you, it looks good on your CV because it looks as though you are committed and you play your part - you care. It is good because you build up a network of contacts very quickly.

It was sold as a way of getting to know people outside of where you work, so I suppose it was almost career development, although that sounds a bit mean. I left because once you have done it for a year or so you personally have nothing to develop.

Such a calculated stance has direct implications for the autonomy of the representative process. In particular anxiety was expressed, by both representatives and employees more generally, that delegates were on occasion reluctant to press sectional demands; stepping over the border into the terrain of a more antagonistic combative stance might clearly be prejudicial to career enhancement. Blockages in the voice process were seen to occur at two distinct levels. Firstly, on the ground at the constituent-representative interface it was evident that at times issues become either filtered out, or were not aggressively pursued, given that the motivation of certain representatives was more coldly utilitarian than altruistic. Employees were conscious of certain representatives not wishing 'to rock the boat' - a theme detected within the IPA survey. Two examples demonstrate the point:

Too many representatives see it as a climb up the ladder - more interested in their career, than truly representing their constituents.

PC reps do not represent staff views. It is used to further people's careers and for them to network.

The desire not to be seen as too vociferous also acts as a filter at an output level. Disquiet and anxiety expressed by employees on specific topics, it was noted by representatives, was sometimes not escalated in a robust manner due to a reluctance amongst their number to take ownership of issues. In other instances within PC meetings more understated pressure had been brought to bear upon one of the few more forceful representatives:



The chair has looked at me a couple of times in the council, but he has got to realise that we have got to be able to say what we need to say.  
(Representative, head office council)

The overall bashfulness of representatives dictates that typically it falls on the shoulders of the PC chair to pursue specific topics. However, questions were raised amongst representatives with regard to how forcefully the chair went in pursuit of constituency interests. The impression was that at times the activity was somewhat perfunctory - one long standing delegate summarised the chair's dilemma thus:

If I start making waves I have got my annual appraisal, I have got my salary review next month; I really have to tread very carefully here. So I will talk to somebody - but I will soft pedal almost.

It is evident from the above account that the potential for both patronage and subtle forms of intimidation serve to undermine the utility of the body as a conduit for collective voice, in contrast to the problem solving functionality to which the inclusive consultative format is perhaps best suited. It is noteworthy that certain senior managers were nevertheless defensive of the wider organisational culture suggesting that the right to challenge was respected, downplaying such concerns. Nevertheless, within the annual in-house survey for 2001, only 37% of the lower grades (C-E) agreed with the statement that: 'it is safe to speak up and challenge the way things are done in FinanceCo', lending credence to the disquiet catalogued.

Within the context of the retail council such pressures were less apparent. The espoused motivation for undertaking representative duties was markedly more concerned with furthering constituency interests rather than crude careerism. Thus, when asked the question: 'why did you decide to become a PC representative?', while one newly appointed delegate conceded that:

I think that if you have PC representative on your CV it does show that you have got awareness,

the following comment was far more typical:

The same old things kept cropping up - staffing levels: you were expected to come in and do work over and above your working day, and it wasn't just my branch, you were hearing the same thing. I was thinking well why doesn't somebody do something about it; so it was about time somebody told them, and being the sort of person I am I thought well if nobody else is I will.

Such espousals were reflected in a more uniform critique of senior managerial decision making, albeit one confined largely to general housekeeping issues such as security, heating, uniform and staffing levels. Criticism of corporate policy within these areas was routinely itemised in the minutes and escalated to the second tier gathering of the retail chairs. A plausible interpretation of the forthright stance taken by the retail delegates is that this is a reflection of their perceived position of being on the corporate periphery – reflected in feelings of relative deprivation – allied to the nature of the work and lower career aspirations. As alluded to in chapter 3, such representatives are all clustered amongst the lowest two gradings, typically female and often part-time returnees. The perceived potential long-term costs and enduring repercussions of challenging corporate policy are thus less marked. Furthermore, the compression of delegates into the bottom gradings by definition precludes a significant managerial presence, reducing any potential for subtle intimidation at council gatherings.

### 5.3.3 FridgeCo

As within both other organisations the classic notion of self rule is again problematic when applied to the FridgeCo company council. Any basis for formal autonomy is rendered fictional given that the mechanisms of governance and procedure are solely managerially derived. Indeed, in a similar manner to the MediCo study, the inherent contradictions are at their most visible during pay discussions where again the key managerial actor – the production director – is similarly responsible for the drafting of the council constitution and terms of reference. His role is therefore paradoxically positioned at such times as both combatant and benefactor. Notwithstanding the absence of the formal autonomy of the representative structure, the terms of reference remain sufficiently wide to facilitate the crafting of an autonomous representative agenda. Again, however, mirroring the position at MediCo, ideological pressure and the utilisation by management of ‘mental resources’ is directly corrosive of autonomy.

The genesis of the body has been tracked in some detail; as will be recalled, it was from the outset driven and sustained by two broad rationales. On the one hand it replaced the trade union as a means of employee representation. Conversely, in line with the production director’s manufacturing philosophy it simultaneously formed part of the TQM software alluded to in the last chapter. One corollary to the latter aspect is that while the softer paraphernalia of TQM was being wound down, the council structure nevertheless continued to be imbued with a heavy educative tenor – a means of communicating the problems faced by management to the wider workforce via the agency of the representative body. Again echoing the position at



MediCo, this was complemented by other top down initiatives, most notably team briefings, although their use had latterly become increasingly sporadic.

Thus within council gatherings a marked feature was an unremitting focus on the financial plight of the company, the mainstay of which was a summary of the year to date profit and loss, and a synopsis of various production problems. Interestingly, notwithstanding the erosion of their earnings in recent years, amongst representatives generally the sense of grievance was markedly low and such 'pragmatism' was applauded by management. Ultimately the focus on market imperatives fed into a resignation amongst most representatives regarding the necessity for sacrifice. The perilous state of the company was perceived as a legitimate rationale for the tight financial policy being followed by management; to again borrow from McArdle *et al.* (1995:167), this represented 'the use of the logics of the market to legitimise managerial action'. The following comments from delegates demonstrate the point:

I don't think that they [management] can do a lot about it [wage levels] if the money is not there. I mean in the last meeting somebody said something about a 35 pence [per hour] pay rise because we haven't had one in about 6 years - that works out about half a million per year; well if you're not making any you can't give it out.

There is only so much we can do, and I think to be fair there is only so much that the management can do because, their hands are tied as well. The main bone of contention in any factory is wages and unfortunately there is only so much leeway that they have with regard to giving people more money. They have got a restricted budget and have to stay within that.

A point of departure from the other studies, however, was that management's version of reality, while generally conceded, was accepted less uncritically. Unlike the former studies, the body was very much a forum where the domestic management were vigorously, and at times brutally, held to account. Key management strategies

such as shift working and an over-reliance on agency employees were a common theme. As will be recalled, two of the representatives were ex-shop stewards. One had originally boycotted the body, but subsequently stood for election at the request of the union district secretary 'to find out what was going on'. In contrast to both the MediCo and FinanceCo studies, therefore, a modicum of ideological sustenance was operative. Interestingly, the lexicon of trade unionism was widely invoked by these ex-shop stewards who referred to constituents as '*their* members', demonstrative of an ongoing divergent set of interests that served to legitimise robust challenges to managerial authority. Thus, in broad terms there was a bifurcation within the council grouping. While many delegates were outspoken during meetings, perhaps reflecting a range of pent up frustrations, in periods of reflection the business case for various managerial decisions, such as the introduction of shift working and the wage freeze, was generally accepted. Conversely, there was a more independently minded small inner core of three representatives, including the two ex-shop stewards, actively resistant to such incorporative tendencies. Various initiatives were regarded with cynicism, such as kaizen: 'people putting ideas forward to cut each others throats', and team briefings: 'to me they select the information they give you - they don't tell you the whole picture'. Similarly, the wage freeze was viewed as a manifestation of managerial incompetence, rather than the mix of bad luck and external shocks that characterised the accounts of the more 'on message' representatives:

We could be better informed. They could give us a real proper answer as to why we can't have a pay rise instead of going around the houses and saying, 'we can't afford it'. They have spent nearly £14 million up there now [on the new plant] and we should have been up and running three years ago, so somebody is to blame for that. In another company the directors and management would be out on the road.

In the old days if the company did not make any money they did not buy new cars ten a penny. Not just senior managers, even right down to junior



managers, it all costs money. That's just one thing, there are lots of other things - money going down the drain.

Save this sub-grouping, however, management had largely been successful in having its own version of reality internalised by the majority of representatives who, while not uncritical, largely accepted the need for sacrifice. Distinct pockets of autonomy did exist, as highlighted by the concessions gained following the introduction of shift working. Save this one incident, however, the ideological hegemony of management was a consummate force. This was graphically demonstrated during January 1999 when the company announced 84 redundancies just prior to the move to the new factory. This decision was accepted by the majority uncritically, notwithstanding the fact that by this time managerial strategy was becoming somewhat idiosyncratic – six months later the organisation was seeking authority from Malaysia to recruit 50 new staff as demand again rallied (*Council Minutes*: July, 1999).

Such uncritical acceptance of the managerial position on this, and wider issues, renders the notion of the autonomy of the representative process problematic. News management through team briefings, albeit increasingly intermittent, and the further educational thrust of council meetings aimed at attitudinal structuring, had largely been effective in muting any widespread collective challenge to managerial capability - and certainly its ultimate organisational prognosis.

In summary to this sub-section it is apparent that across all three organisations the representative structures lack the necessary autonomy for effective voice. At a formalised level the three bodies constitutionally represent exclusively managerial emanations; this serves to delineate the admissible points at which any employee



challenge to managerial decision making is regarded as legitimate. Over and above such constraints, more subtle forces were seen to be in evidence, in effect cultural pressures emphasising unitary norms and values. At both MediCo and FridgeCo representatives were subject to a systematic attempts by management to shape their perceptions and interpretations of various situations. There was a clear desire to imbue delegates with managerial interpretations of reality and so vitiate the necessity for the potentially destabilising reference to managerial prerogative. At FinanceCo such crude ideological engineering was less apparent; here more subtly it was the inclusive nature of the representative structure with its perceived potential to benefit internal career development that was corrosive of autonomous behaviour, notably evident within a head office setting. The outcome was a tendency among representatives to disavow the furtherance, aggressive or otherwise, of narrow sectional interests, as to pursue such an agenda would be to challenge the integrative and unitary philosophical basis of the consultative model.

#### **5.4. Competence**

The competence of a representative body is a further important antecedent variable impacting upon the effectiveness of voice. It is a commonplace within the field of industrial relations to posit the asymmetry of the employment relationship. The competence of the managerial and employee protagonists within the negotiation/consultation arena is potentially a significant facet of such a lack of parity, exacerbated in most instances by management's superior familiarity with business discourse, allied to strong information asymmetries. Exploring this theme Heller (1992:153) has argued that managers have developed a range of theoretical

schemes and vocabularies derived from economics and related disciplines with which representatives are not familiar. It is additionally argued that certainly within small and medium size enterprises the choice of representatives is limited, and is, therefore, unlikely to cover the range of competencies necessary to engage in discussions on complex business issues (ibid). As Heller further suggests (ibid) deficiencies are amplified because,

the range of information on finance, marketing, new manufacturing technologies, foreign trade, competitors, etc is not equally available to managers and representatives, and the latter rarely have any means of engaging experts or consultants to make up for the information they lack.

Such a lacuna is particularly pertinent to NERs given that they are further handicapped in falling outside the provisions of the Trade Union and Labour Relations (Consolidation) Act 1992, that enables independent trade unions to obtain certain information for the purposes of collective bargaining (Rose, 2001:473).

Heller (1992:152) defines competence as an ‘adequacy of experience and/or skill that contributes to the resolution of specified problems’. It will be evident that the distinction between competence in this sense and the use of ‘linguistic resources’, (including rhetoric and argument) explored earlier as subtle manifestations of power, is potentially abstruse. Heller, however, has additionally argued that the inequality in competence serving to mediate the efficacy of voice provision may be reduced or eliminated by closely linking appropriate training with the introduction of participative schemes. The focus of the section below is, therefore, upon competence instilled formally, or the lack of it, and the resultant implications. Thus, the use of training as a medium for the attainment of equipoise in managerial-representative expertise is evaluated. Principally we are concerned with the inculcation of technical

skills that serve to inform the representative process. However, given that the remit of the representative bodies at both MediCo and FridgeCo extends to items distributional in nature it is necessary in these instances to extend the analysis further to procedural matters. As will be seen, particularly within the former organisation, incompetent handling of formally tabled managerial proposals and demands has had adverse and enduring implications.

#### 5.4.1 MediCo

Amongst both current and ex-representatives the issue of training very much represented something of a *bête noire*, notwithstanding a claim by the HR director that representatives underwent ‘a very comprehensive training programme through ACAS’. Three of the six incumbents had received no tuition at all in connection with their representative duties. Indeed, at the time of the research there had been no formal training provision in any of the preceding three years - the training impetus appeared to have waxed and waned. The HR director was at pains to point out that during the early 1990s he had personally initiated an extensive training programme to enhance the skill base of representatives; competencies imparted including employment law, elements of negotiation and communication. Training provision had subsequently, however, become much more modest in scope, limited to sporadic bursts followed by long periods where any semblance of provision was withdrawn. Ex-representatives were especially critical of this piecemeal approach, indeed the absence of training provision was cited by two former delegates as a cause for resignation.



While the ECC representatives perform a range of tasks, they are generally most associated with the key set piece event of the year: the annual pay review. The importance of this event to employees places representatives, albeit briefly, under the critical gaze of their peers. This serves to expose in employees' eyes the inherent deficiencies and contradictions of the representative model, representative competence being to the fore with the aptitude of delegates routinely derided. Indeed, within the survey undertaken only 33% of employees agreed with the statement that: 'I am happy that my representative has the appropriate skills and experience to consult effectively with management in areas such as pay and conditions'. Two shortcomings were seen as being particularly pertinent: insufficient procedural awareness and a lack of financial acumen.

A dearth of training and experience in financial matters is very much crystallised during the pay talks where the specialist knowledge brought to bear by the managerial team manifests itself in a much broader repertoire of argument than can be mustered by the lay representatives. It will be recalled from chapter 4 that the 'negotiation' process involves representatives being subjected to a barrage of data e.g. internal cost projections, plant financial variation to budget, international labour rates, local pay data and length of service profiles, i.e. a variety of data sourced from a range of specialist managerial disciplines. It was evident, however, that the lexicon of cost accountancy, and to a lesser extent, personnel management, represented alien discourses to the representative team - graphically captured in the following comments:

It is sometimes a bit mind blowing when you get all these facts and you think I can't grasp this you know. (ECC representative)

A lot of it was over your head. One chap in particular would throw facts and figures at you, year to date and waste, straight over your head. And in negotiations he would throw defects per million and this costs this, and this costs that. (Ex-representative)

The plant accountant would give you the financial thing [in wage negotiations] – double Dutch most of it. (Ex-representative)

Such failings in training provision were acknowledged amongst various employees.

The following offering crisply summarises the various elements of concern:

They haven't got the training or the ability to do the job as it should be done. I don't think that they are given the support that they need, especially when it comes to the pay talks. We have got very clever people here, people in senior management posts who have been here for 25 years. They are very clever people - there have been times when they have mutilated the ECC and because they know what to say and what to do they can pull one over on the workforce in one way or another. The reps that I have come into contact with don't seem to have the experience or the knowledge to do the job, that is no fault of their own, but I have always expressed that opinion. (Tankroom operative)

It was evident that deficiencies in training provision were manifest in a total lack of parity in terms of financial sagacity; the impoverished skills base of the representatives routinely precluding a critique of managerially imposed definitions of reality within the financial field. This is a phenomenon encountered by Kirkbride (1986b:23) in his own non-union case study and he argues somewhat colourfully that this enables management to play the game on their pitch, using their ball and set of rules. Indeed, this ability of management to structure the reality of the pay review process had not gone unnoticed by the representative team. One veteran member commented on how the conventions and techniques of cost accountancy are used to screen the issue of profit:

We keep asking about profit at MediCo and MediCo UK don't make a profit according to them. It is all part of the wider scheme of things you know. But we are sure that this plant does make a profit, but they won't actually tell you how



much because [we would say] ‘well if you are making that much money you can offer us a little bit more’, it is something that we are kept in the dark with.

Ultimately, as discussed in the last chapter, the ability of management to impose and shape the parameters of the debate results in a tendency for the pay discussions to become little more than a *fait-accompli*.

Deficiencies in training and *ergo* competence extend beyond a lack of financial expertise, however. Interviews with both current and former representatives demonstrated an element of procedural ineptitude mediating the ability of the ECC to defend existing favourable arrangements. Three of the representatives had been on a ‘workshop’ course comprising *Elements of Negotiation* facilitated by a local consultancy firm some years previously. Nevertheless, they evinced difficulty in recalling precise details of any skills and competencies imparted. In contrast, the main protagonist on the employer side, the HR director, is both an ex-shop steward and an extremely experienced managerial player. This juxtaposition of a highly astute managerial actor set against a relatively unversed set of representatives had been skilfully utilised by the former, having the impact at times of leaving ostensibly concluded deals nevertheless subject to managerial veto. It could be argued, given the power imbalance catalogued earlier, that ultimately management has the ability to eschew agreements at will. This would be to miss a key thesis of chapter 4; the capacity to exploit apparent loopholes, rather than resort to crude unilateralism affords management with the ability to at least pay lip service to the pluralist pretensions catalogued, so avoiding recourse to potentially destabilising managerial prerogative. This tactic was most recently invoked during the May 1999 pay review. As will be recalled from chapter 4, two years prior to this a three year pay deal had been struck providing for an annual increase of 3.75%; a settlement that was viewed



increasingly as untenable by the senior management team due to a worsening cost posture, ultimately resulting in management buying off the workforce with a one off lump sum payment set against the 1998/99 financial year. As one ex-representative observed:

We had a three year pay deal, got to the third year and we went to pay talks. I don't even know why we went to pay talks because as far as I was concerned there was a three year deal that was cut and dried - then they wheeled out the lump sum ...It was sneaky, we didn't want it, we got it forced on us. Give 'David Smith' [the HR Director] his due, he pulled a fantastic fast one and he got away with it.

The HR director's account reveals how an apparently 'cut and dried' deal was adeptly side stepped:

At the very start it [the mooted of a lump sum payment] took them a bit by surprise because it was not expected, because the pay increase had already been established for that year. What we had never done was to establish the *mechanism* for giving that amount of extra money. So there was never any agreement that it would be an increase in basic pay, because it could have been an increase in loyalty bonus, it could have been an increase in shift premium.

Given that the accustomed format prior to 1999 was for such a pay increase to indeed go on basic pay the accounts of both current and ex-representatives suggesting that the lump sum was imposed by stealth appears an accurate summary. Ultimately, the failure of the representatives to conclude a watertight pay deal afforded management with a window of opportunity to introduce the lump sum as a codicil to the previous pay round, notwithstanding the damaging long-term impact that it would have on both pension contributions and cumulative pay in forthcoming years.

Employee rancour in certain quarters was compounded because a similar level of procedural naïveté had been in evidence just two years prior in and around the

issue of the loss of 'average earnings'. Average earnings may be viewed as a holiday bonus that was introduced during the early 1980s when the company was finding it difficult to obtain employees due to tight labour market conditions. The bonus was specifically targeted to encourage the working of overtime. During the two week summer shutdown workers who had undertaken overtime during the previous 12 months would, in addition to basic pay, be awarded a percentage of their annual overtime payment. Due to a clerical oversight it appears that the amount became miscalculated strongly in the employees' favour with additional factors being inadvertently built into the calculation.

The supplementary costs invoked through such a payment in changed economic and labour market circumstances had become a point of concern amongst the management team, who subsequently brought the issue into the 1997 pay discussions, notwithstanding the absence of the topic from the previously agreed agenda. The springing of the subject onto the representatives at the 11th hour served to disorientate the group, inhibiting a considered collective response - the outcome being that the bonus was traded for a 0.5% across the board increase. The managerial argument was that market conditions dictated that overtime would be far less prevalent; hence the *quid pro quo* was sold as more than generous. In the final event, however, the level of overtime remained unchanged. This remained a source of resentment amongst a very significant constituency of male employees. That management's recourse to stealth had effectively been smoothed by a lack of representative sophistication similarly remained a source of embarrassment to the body, especially amongst those members whose constituents were directly affected:

They had to find a way of taking it out of the equation. I didn't know, and I don't think that anybody else did, that if you see that on the agenda and you say that it is not up for discussion, then it can't be discussed. But us being naïve we didn't realise, so once it came up for discussion that was it; so that is why it was lost, and several people on the shopfloor will never forgive us for that. (ECC representative)

To summarise, it is evident that a distinct lack of competence severely compromises the effective functioning of the institution. Thus representatives lack the technical skills necessary to muster a coherent assault on the managerial interpretation of given situations. Similarly, an absence of procedural knowledge and skills has resulted in less than watertight drafting of concluded agreements, allowing management to eschew the provisions with relative impunity.

#### 5.4.2 FinanceCo

Given the relative sophistication of the representative infrastructure outlined in chapter 3, a somewhat surprising finding of the FinanceCo study was the almost total lack of formal training provision. As at MediCo representatives were often critical of the scant resourcing applied to their development. The only formal training provision had been a half day overview of employment law facilitated by an outside law firm. One delegate's comments were fairly standard:

They [representatives] need much more training. I have a document dated 1994 that said you have been elected onto the PC and you will receive training, but do you know the first training that I ever went on was about three months ago.

The lack of training provision, feeding into deficiencies in representative competence, was likewise a commonplace employee criticism and a core theme in the IPA survey, a typical response being:



They [representatives] should be given the time, training and resources needed to effectively represent employees, which at the moment is *not* given by the company (emphasis in original).

Notwithstanding the above critique it would be wide of the mark to label all representatives as being devoid of the requisite skills and competencies necessary to forward the interests of employees. In contrast to MediCo, where representatives are exclusively drawn from non-managerial grades, the representative architecture and the preference for an inclusive-integrational format, result in pockets of extremely competent and articulate representatives most notably, within a head office as opposed to retail context. Dealing firstly with the former, here a typical quorum contains representatives from a range of specialist business disciplines e.g. HR, marketing, IT and law. Within such gatherings the very generic skills that such representatives bring to bear from within their everyday functional capacities potentially serve to inform their representative role; indeed, as noted, ostensibly ‘closed’ decisions have been re-visited and subsequently withdrawn as a direct result of considered technical PC input.

The lack of formal training provision, however, ensures that there is a tendency for such competence to be unevenly distributed. Many representatives complained that because of the dearth of training they found it difficult to contribute to discussions due to a lack of detailed knowledge of the policies being reviewed. While documentation relating to important areas under review would be submitted to the PC – albeit sometimes belatedly – the subject matter was often very technical in nature and beyond the grasp of the non-specialist, detracting from the efficiency of the voice process. A typical instance related to the consultation in and around the replacement of the profit related pay scheme, as one representative noted:

If you are trying to argue that something isn't particularly good you have got to argue on the basis of this is what we think there ought to be in place. I don't think enough people on the PC knew enough about the financial structure to actually come up with a workable alternative. It maybe goes back to the training issue, that people on the whole don't know enough about HR, HR law, tax law and salaries etc. There isn't enough of that kind of background knowledge about HR issues internally and HR issues out there.

Moving on to consider the retail council, this is distinct to the head office body in that, with the exception of one area manager delegate, the 15 representatives all fall within the lowest gradings of D and E. This is seemingly reflected in the agenda which is parochial in nature and generally restricted to less specialised retail, often housekeeping issues. An interesting facet of the study was the extent to which group wide matters that were routinely discussed at head office (e.g. health care and employee appraisal) attracted minimal input within the retail body. Indeed, several representatives acknowledged their inability to engage with the more technical aspects, as one delegate argued:

The major problem I have with the job is my lack of knowledge. Not because I am an unintelligent person, but because I have not been exposed to executive type meetings, [so] I can't possibly be expected to know the impact of X, Y and Z on the company and its staff.

The lack of specialist knowledge plausibly dictates that there is less of a tendency to engage critically with more technical areas rendering the overall coverage of voice somewhat partial.

At FinanceCo, then, as at MediCo it is evident that the representative body has been handicapped due to a lack of formal training provision. Due to sparse tuition a collection of representatives within both councils considered themselves ill-equipped for the representative function. Nevertheless, within the head office council other

delegates, characteristically those with a professional background, were seen to have the ability to bring to bear a range of relevant skills by virtue of competencies gleaned within their functional capacity. Indeed, within this group there is a familiarity with a range of specialist business discourses that has served as a basis to intelligently question executive decisions, a skill manifestly lacking within the MediCo ECC.

#### 5.4.3 FridgeCo

Any evaluation of competence at FridgeCo is in many senses problematic because the potentiality for tangible employee gains was so circumscribed. The parameters of the attainable were compressed due to the financial plight of the company, juxtaposed against tight and less than sympathetic overall parental control. The latent power base of the body was likewise under severe erosion due to a shift in the composition of the workforce. Within such a context the most expert and wily of actors would no doubt struggle.

In terms of tuition FridgeCo represents the only organisation of the three that had installed significant formal training for representatives relatively close to the period of research being undertaken. The focus, however, was restricted to procedural rather than technical matters. In late 1999 a team of external consultants delivered a course on *Effective Consultation*. Course notes and representative recollections indicate that a great deal of time was spent on theoretical issues such as defining consultation and the distinction between consultation and negotiation, along with a review of the dynamic legislative context. Due to the abstract nature of the course representatives were less than enthusiastic, prompting management to call in ACAS. In early 2000,



eight months prior to the research commencing, this body delivered a course on *Effective Negotiating Techniques*. As the title implies this one day course assumed a level of manifest power absent on the employee side and was similarly premised upon a set of domestic managerial actors possessing sufficient autonomy to themselves *negotiate* outcomes. The major part of the day was taken up with the facilitators outlining a standard negotiating model comprising ‘preparation, opening moves, middle and end game’; a somewhat incoherent rubric given the body’s formal consultative terms of reference. Ultimately delegates were again unimpressed at such an ill-tailored training tool, a typical response being:

He was trying to explain about sort of how to negotiate, but you know the company council has got no negotiation [remit] no nothing really, there’s nothing. So he seemed to spend a lot of time then talking about how company councils worked in other places.

Even within the context of ‘preparation’, the one directly relevant area, while the course notes advised delegates to consider pre-meetings and assign team roles there was minimal evidence of this occurring in practice at the gatherings attended. The tendency was for representatives to articulate individual or departmental concerns. Although pay was an area of common concern, there was no co-ordination within meetings, with representatives interjecting ad-lib.

It is noteworthy that in the one instance where a collective ‘result’ was achieved - the increased compensation over shift working - the competence demonstrated appears to have been partly a legacy of the experience gained through union representation on the plant, rather than due to any aptitude instilled formally. As will be recalled, the ex-shop stewards were confidently proactive in both skillfully utilising their trade union contacts to embarrass management, and in engineering a momentum

demonstrative of employee unity to lend support to their position. Ultimately, the FridgeCo position echoes the other studies in demonstrating that any representative competence is largely instilled not through formal training provision, but derived from beyond this frame.

By way of summary to this section it is useful to recall that our starting point was Heller's observation that training provision can serve to counter a lack of representative competence vis-à-vis management. The discussion demonstrated that, while this may indeed be the case, the various managerial actors have evinced limited enthusiasm for such a proposition. At MediCo training provision had been all but withdrawn and the sum total at FinanceCo amounted to one half day session. Only at FridgeCo was there any semblance of ordered tuition towards the development of representative agents. Nevertheless, here elements of the training were ill-suited 'off the peg' ACAS solutions giving the initiatives a perfunctory tinge. However, the data showed that despite the dearth of formal training individual representative agents were not necessarily incompetent delegates. Any competence elicited, however, was predominantly a result of functional position (FinanceCo) or residual trade union linkages (FridgeCo). The lack of parity in competence was thus most striking at MediCo where there was both no history of trade union recognition and representatives were similarly drawn exclusively from the shopfloor. Particularly during pay talks the occupational role of representatives, predominantly semi or unskilled workers, allied to limited financial and procedural awareness, rendered them ill-equipped to challenge the interpretations of various managerial specialists.

## 5. 5 Legitimacy

Legitimacy is a concept fundamental to the notion of voice. However, as argued earlier in the introduction to this chapter it demands a sensitive treatment separate from the other variables reviewed. Although it is evident that power, competence and autonomy represent *inputs* to the voice process, and influence the terms of exchange between institutionalised voice and management, legitimacy has more dynamic properties. Developing the systems analogy, on the one hand the legitimacy of a representative body may be viewed as a subjectively conferred imprimatur that flows *outwardly* from the very act of representation and its outcomes. As Chaison and Bigelow (2002:6) observe: ‘legitimacy is a perception or an assumption; it tells us how constituencies see the organization’, it is hence in Pfeffer and Salancik’s (1978:194) terms ‘a conferred status’. Thus, within the context of systems of collective representation the presence of legitimacy (or its absence) may be positioned as a derivative or consequence of the substantive outcomes of, and the procedures surrounding, the voice process.

There is, however, an integral feedback loop in operation. Any legitimacy generated in turn represents a crucial *input* to the system. Fundamentally, as Chaison and Bigelow, (2002:100) argue, such legitimacy is central to gaining ‘critical resources’, such as workforce mobilisation. As with the other concepts, therefore, legitimacy has profound consequences for the efficacy of voice, more particularly there is a tight synergy between legitimacy and power.

This characteristic of legitimacy as both an input to - and output from - the process of representation very much determines the structure of this section. The first task is



one of evaluating the degree of legitimacy possessed by the representative bodies in each of the three study organisations, and towards this goal a formal conceptualisation and operationalisation is afforded below. As will soon become apparent, any evidence of a cognitive belief in the legitimacy of the three institutions is very much lacking. Given the positioning of legitimacy as fundamental to an institution's access to resources, the section is concluded with some comments regarding the implications of such a deficiency for the voice process. This in turn allows us to shed further light on one key phenomenon encountered earlier in the discussion; the broad absence of latent power resources.

As highlighted, legitimacy has been described as a 'conferred status'. This borrows from Weberian sociological precepts where legitimacy is viewed as a condition bestowed on the basis that it is right and proper to accept adherence to a specific authority (Merquior, 1980:4). The nub of the problem amounts to whether an office holder is believed to possess good title to it. Clearly drawing philosophically from Weber, the American industrial relations commentators Greenfield and Pleasure (1993:189) have argued that:

When we use the term legitimacy to apply to collective voice of a worker organization we mean an organization of the workers' own choosing. In that sense legitimacy...implies general consent of the workers to the representative capacity of the organization carrying the collective voice.

Thus legitimacy is fundamentally concerned with 'belief and inner acceptance' (Merquior, 1980:209) and 'spontaneous consent' (ibid:208); but how might such consent be elicited? Within an industrial relations context theoretically it is possible to distinguish two strands of thought as enunciated by Hyman (1997) and Hege and Dufour (1995). Although these represent analytically distinct approaches they may

coexist. On the one hand Hyman (1997:31) appears to assign primacy to the substantive outcomes of the voice process:

Legitimacy is the pre-condition of the representivity (sic) of the representatives...In part, it is gained and sustained by a record of 'delivering the goods' and is lost by a persistent (or sometimes a single) failure to deliver - which makes the function of employee representation in hard times particularly difficult.

Conversely, Hege and Dufour (1995) apparently draw inspiration from political science, more particularly one of the classical theoreticians, Jean-Jacques Rousseau. From this perspective legitimacy is derived when the output of a governing body equates with the values of those governed. Thus, from this standpoint legitimacy springs from the ability of representatives to interpret the interest of their constituents accurately. Hege and Dufour, therefore, replace the substantive focus with a procedural bias, i.e. the emphasis is upon process rather than outcomes:

Legitimacy is founded on the ways in which representatives maintain their links with the workforce and are able to express the identity of the workgroup in their dealings with management. (ibid:85)

Although the above commentators emphasise different aspects, the reality of the situation is that there is likely to be a synergistic relationship between substantive and procedural elements of voice. This is neatly captured within Suchman's (cited in Chaison and Bigelow, 2002:9) concept of 'pragmatic legitimacy', which conveys succinctly the essence of how legitimacy might be conferred and maintained by an employee voice mechanism. Thus pragmatic legitimacy is,

derived from the self-interested calculation of an organization and its constituencies. The organization is supported because it provides specific favorable exchanges; it gives something valuable and receives something valuable in return. Either the constituencies expect *value* from their policy of

supporting the organization, or they believe that the organization is *responsive* to their interests (emphasis added).

This notion of pragmatic legitimacy usefully crystallises the above discussion.

Nevertheless, in one sense the above conceptualisation remains somewhat confined.

The implication is that employees base the conferral of legitimacy upon some crude recourse solely to cost benefit analysis. One consequence is that insufficient attention is paid to democratic principles and the impact that the electoral machinery has upon employee perceptions of the legitimacy of their representatives, and the constituent body politic. Given the tendency in all three organisations for representatives to be ‘elected’ unopposed, the issue of electoral mandate is a further dimension that warrants consideration.

Operationally the task in hand is, therefore, one of evaluating in each of the organisations the extent to which substantive outcomes and procedural arrangements, both formal and informal, serve to subjectively confer legitimate status on each of the NER structures. In a trade union setting such empirical measurement is approachable in no small measure via the use of quantitative proxy gauges such as the retention of membership; this is a key measure by which the *demos*, or constituents, the ultimate arbiters, can register such legitimisation of union or branch. Within non-union modes of voice such hard empirics are less routinely available; the task is therefore fundamentally one of monitoring consent via an in-depth analysis on a case-by-case basis.

#### 5.5.1 MediCo

A key empirical finding at MediCo was that strong feelings regarding the legitimacy of the body were not dispersed evenly throughout the workforce, but were closely



allied to hierarchical status. As discussed, from a substantive standpoint Hyman (1997:31) has argued that legitimacy may be 'lost by a persistent (or sometimes a single) failure to deliver'. Within the context of the ECC one key event stood out as impacting upon the legitimacy of the body: the imposition of the lump sum payment in the 1999 pay talks. In relative terms this impacted most severely upon higher grade employees and thus anger was concentrated amongst this grouping. These were generally longer serving workers taking a considered view of the potentially enduring implications of a one off cash payment, as opposed to a salary increase. Employees routinely talked of being 'sold down the river' by the ECC's inept handling of the issue, not least because the imposition was viewed as setting a dangerous precedent. Indeed, the spate of ECC resignations (largely high grade male employees) that ensued was itself symbolic of a withdrawal of consent to the body. One representative recalled the events in the following terms:

All the higher grade men workers were against it because they were all grade 11 or 12 and they get a good wage a week. So then to lose your basic pay [increase] was serious, and of course you lose it on your pension as well, so yes people in the higher grades were against it.

A characteristic response from higher grade employees was:

The lump sum affects absolutely everything to do with pay structure; don't get me wrong we were paid, but if we don't get a pay rise every year I am soon going to lose out in years to come.

'Failure to deliver' on this occasion had clearly served to undermine the legitimacy of the ECC in the eyes of the more senior male employees. Such sentiments, however, were strongly correlated with status and ergo gender. The lower grade, largely female workforce, were far less vocal in their criticism, indeed many welcomed what was perceived as an unexpected windfall. While it would be folly to

suggest that the debacle had served to confer pragmatic legitimacy on the ECC in their eyes, certainly the lump sum payment was regarded more amiably. A typical, if somewhat colourful, comment was provided by one viaflex operative:

John, my husband works, he earns the bread and butter and I earn the jam. The lump sum was cream on top of it.

Turning to procedural aspects, a range of misgivings were expressed with regard to the representative-constituent interface, undermining legitimacy in terms of the body's lack of responsiveness. During the research period it was evident that there was no systematic procedure in operation enabling representatives to capture employee concerns and preferences. Representatives did suggest that briefings had taken place intermittently, but these appeared to have fallen into disuse; the only formal continuous means of communication in operation being the ECC notice board. Overall most employees questioned seemed to find the concept of a representative *process* a somewhat alien notion. Comments summing up the general sentiments included:

The ECC? You never get to hear of it until it comes to the pay talks.

And more quizzically:

Are the ECC called to meetings other than pay talks?

Unquestionably the shortage of delegates was serving to exacerbate the representative lacuna, several areas being without a designated representative. This disenfranchisement was compounded by the presence of both shift working and the nature of the production regime dictating that half of the six representatives were effectively 'tied to the line'. Furthermore, less than amenable line management appeared to make any absence from the representative's production station

problematic, be it of an informal or more formal nature. At best production imperatives served to afford the representative with the ability of merely servicing colleagues within the representative's very immediate working area, provided that shift patterns additionally coincided. Ultimately the requirement for shift-working, shortage of representatives, haphazard constituencies and production pressures feeding into line management antipathy, served to undermine the presence of a genuine and ongoing dialogue between representatives and constituents.

The above shortcomings are for the most part hidden from view. However, the key event within the ECC calendar: the annual pay review, serves to graphically expose the fault lines of the representative mechanism. Deficiencies derived via the inability of the representative infrastructure to collate and express 'the will' of employees feed into a marked legitimacy gap. Especially amongst more senior employees a contentious aspect was the extent to which they were involved via the agency of their representatives in the process. Deficiencies were seen to exist both in terms of the solicitation of employee input and the ratification of the output of talks. A key criticism was of a perceived reluctance of representatives to consult or involve the base in deliberations at both stages of the representative process. Such autonomous behaviour of course is not illegitimate *per se*, and much depends upon the discretion awarded to the representative group, i.e. the terms of the representative mandate.<sup>4</sup>

While the constitution was silent on the matter, the general opinion of employees was that the body had no authority to act beyond that of a communications channel. One employee's account of the 2000 pay talks summarises neatly the key areas of concern:



They [the ECC] don't seem to know where they stand with regard to employee representation. They are a consultative committee and to me they don't consult. [During the last pay talks] between a small core of them in the plant they agreed with management the pay packet, now to me that is not consulting, they haven't got the *authority* to agree something for me, or the rest of the workforce. (Tank room operative)

Similarly when pressed on the issue, the representatives did not seek to defend their behaviour in terms of any explicit or implicitly bestowed mandate of authority.

Indeed, one of the newer recruits expressed unease at the whole process:

I don't see any way it being my job to accept a pay agreement on behalf of three or four hundred people. I mean it is peoples' livelihoods – it is not for me to decide on peoples' livelihoods. All I can do is the best job I can to get the best deal for the employees. But it is up to them to decide, that is my opinion. But if I had a meeting with the people and they said you the reps just go and get the best deal you can and when you have got it accept it, and come and tell us, then fair enough.

A somewhat surprising finding, however, was that such direct and indirect references to the issue of representative 'authority' were not explored by representatives or constituents though the lens of electoral mandate. Given the tendency for representatives to be 'elected' unopposed, it might have been expected that such a democratic deficit would have figured more centrally within a critique, a situation mirrored interestingly within the other organisations.

In summary, it is evident that both a 'failure to deliver' in instrumental terms and deficiencies in responsiveness serve to undermine the ECC as a legitimate mode of voice provision – at least for certain functional groups. A key facet arising from the data was the bifurcation in responses, the more vociferous criticism in terms of both deficiencies in substantive output and procedure emanating from the more senior male group, while the mood of the more junior, predominantly female employees,

was generally less critical. A plausible interpretation, given the paternalistic managerial style catalogued in chapter 3, replete with relatively good terms and conditions, is that the issue of voice in such settings is rendered less relevant, the prevailing mood being captured in the following comments:

Don't get me wrong this is a good company to work for, without a shadow of a doubt. There isn't many companies giving the benefits that you get.  
(Viaflex operative)

Locally people regard them as a good employer with a good track record – well paid in comparison to some of the other firms. Yes I think they have quite a good name in the area. (Viaflex operative)

In such situations the pitfalls of positing a crude dichotomy based around legitimacy and illegitimacy becomes evident. As Merquior (1980:7) has cautioned 'legitimacy and illegitimacy are only exceptionally an either/or matter'. If one were to more satisfactorily replace the polarity with a continuum, these employees occupy a middle terrain, being broadly indifferent to the issue of voice.

#### 5.5.2 FinanceCo

In several respects the situation at FinanceCo echoes the MediCo findings in that the position regarding legitimacy was somewhat variegated. On the one hand strong feelings were expressed by pockets of employees very critical of the body, demonstrative of its non-legitimate status. In terms of the ability of the body to yield tangible benefits there was an element of concern expressed with regard to the modest substantive gains recorded. For example, within the open section of the IPA survey many employees expressed the opinion that the PC structure had indeed 'failed to deliver':

I do not believe that the PC has achieved anything of great significance - only minor changes.

PC as it appears is a toothless tiger. It is good at sorting out little issues e.g. uniform. But when it comes to big issues e.g. branch closures and redundancies it makes no difference at all.

PC has had 6 years to get its act together and it has failed. Employees regard its inability to change anything that really matters as evidence that it is the mouthpiece of the company.

Conversely, my own interviews demonstrated that while pockets of employees adversely affected by certain managerial decisions (most notably branch restructuring) were indeed critical, the prevailing mood of constituents under both councils under review was again one of indifference. A typical response was:

For me it does not exist. If I have got a problem I go to my line manager. Basically the PC rep is someone who just leaves policies for review on the table, and that is about it. (Data entry clerk, branch control)

At a procedural level there were likewise a range of deficiencies apparent within the representative process. This was captured within the 2001 in-house survey where only 23% of employees company-wide agreed with the statement that: 'There is effective employee *involvement* through PCs'. If we try to probe beneath this raw figure it is evident that within the head office setting there was no systematic mechanism in place allowing representatives to gather employee feedback and concerns - most delegates appeared to take a fairly passive role leaving constituents to bring issues to them. Out at retail level, the geographical dispersal of the branches renders constituent-representative contact especially problematic. Some representatives utilised a 'Pal' system where a designated person in the branch would act as an interface to feed back employee concerns - but implementation of the system appeared patchy, and the success or otherwise of the process was not in any



way monitored. Likewise, none of the representatives actively visited their constituency branches to engage in face-to-face discussions - business pressures precluding such a response. Within both councils there was a heavy reliance on electronic mail, notwithstanding acceptance that this was a 'bland' and 'cold' means of communicating. Ultimately as in the MediCo study, the notion of a representative *process* was somewhat alien to most employees. This was again noted within the IPA report:

Have never been told what has happened at any of the PC meetings or asked my views, therefore, I cannot believe that the PC truly represents the views of all the members of the company.

Changes to the branch working practices, soon to be announced, have supposedly been formulated following consultation with staff; but which staff? Certainly not me, which makes a nonsense of the two way process.

While there was indeed a palpable lack of involvement, and employees did not perceive the body as responsive to their interests, the broad mood was nevertheless very much one of overall apathy, and certainly the inadequacies of the voice process did not appear to undermine employee motivation. Indeed within the annual survey 82% of employees agreed with the statement that: 'I am committed to my work'. Mirroring the position at MediCo, the tendency for representatives to be elected unopposed likewise attracted minimal comment. Again it is suggested that the phlegmatic stance of employees towards the topic of voice is a function of broad employee satisfaction engendered by satisfactory term and conditions, framed within a broader paternalistic style of management. Thus characteristic employee comments were:

The company is quite a good employer within 'West-Town', it is a very reasonable employer and it is recognised as that. So employees don't need

to be well represented by a separate independent association because the company actually does it already. (IT manager)

I see it as a very caring organisation about its people and one that very much wants its people to aspire to do well. It is about supporting the individual, and if there are hard times it is about trying to find ways to support the individual through these. I see it as a very good welfare state. (Key accounts manager)

Once you have been here and you are settled you become involved in it, it is very family orientated in a way. Somebody mentioned to me a few months ago actually that it has a strange hold over you - and it does. I have never harboured views to leave in 10 years. (Customer service advisor)

Indeed, most *representatives*, both at head office and out in the branch network, viewed the absence of employee interest in matters relating to voice as a demand side issue, a typical response being:

Once you have done a mound of photocopying and sent it around a few times and got absolutely nothing back, you tend to think OK this is not so important to people, and when people start correcting spelling mistakes and doing nothing else that becomes extremely irritating. (Representative, head office council)

At FinanceCo, then, the overall picture was one of widespread employee indifference towards the issue of voice, with the myriad deficiencies un-reflected in strong employee opinion, some isolated pockets aside. Indeed, such a position was captured within the IPA ballot into the future of representation within the bank that attracted a middling response rate of 56.15% .We may again, therefore, position most employees within the middle terrain where legitimacy is neither conferred nor retained.

### 5.5.3 FridgeCo

As argued in the introduction to this section, legitimacy is a subjectively conferred state flowing from both the substantive and procedural aspects of voice. Informal

discussions with employees at FridgeCo demonstrated that deficiencies on both counts obviated any sense of employee consent to the body as a representative agent. At a rudimentary level the inability of the council to deliver a pay increase over the preceding 5 years undermined any sense of credibility in the eyes of production workers. The following comments are demonstrative:

There used to be regular pay rises but we haven't had a pay rise for over 5 years, as you can appreciate everything has gone up, but we just don't seem to get anywhere. We have our own rep, although we can approach him, we all feel it is a waste of time. (Sheet metal worker)

The company council doesn't represent the employee's interests does it? It is more like they just turn up and they [management] listen and that is the end of it really. There is no negotiating body, they [management] just say no, that's it. (Cell worker)

Indeed representatives largely conceded that in the eyes of their constituents the body had become an irrelevance. The following response is illustrative:

I don't think they [employees] really care at all to be honest with you. I come back from the meetings, I say the same thing, they [management] report back an X loss, and that is it.

The integrity of the body as a tool for employee voice, however, had been further discredited for reasons beyond the inadequacy of the cash nexus. Many employees expressed concern at the arbitrary treatment of temporary agency workers, and the absence of a credible check on what was perceived as the abuse of the foreign contingent, despite the fact that such employees fall outside the formal terms of reference of the body. Employee disquiet related firstly to the induction and training of temps that was widely viewed as inadequate, leading to high turnover; as many as 50% of new recruits were reported to leave within three days of commencing. Those that remained had often been attracted to the plant by the



promise of overtime; the working of 'double shifts' was a contentious issue at the time of the research, the provision of which was necessitated by both the level of employee attrition and the tightness of the labour market. This reliance on foreign employees was widely viewed as exploitative:

They are almost killing people in there, most of the foreign workers do it [double shift working]. (Cell worker)

I don't agree with it. You have got people doing double shifts which I think is all wrong. They do a six til' two and two til' ten. To me they should not be allowed to do it. You will see individuals that are on a double shift and by 8 o'clock fatigue is setting in - a man can't concentrate for that amount of hours. There must be something in the law that says they have got to have two hours rest or something. (Cell worker)

The general view was that the council had 'failed to deliver' for the core domestic workforce, and to a lesser extent, had been lacking in the protection of the periphery migrant employees.

In terms of the representative *process* any provision was somewhat sparse at both an informal and formal level. Day-to-day links with the workforce were tenuous. Notice boards containing the list of representatives and relevant constituencies related to the old factory and were, therefore, several months out of date, often resulting in confusion amongst employees. Likewise, in several departments the minutes were clearly not posted regularly, and those in place often related to meetings held several months previous, giving rise to comments such as:

The company council? I haven't heard about them for some time. (Cell worker)

And:

I get most of my information from the local paper. (Cell worker)

The overall tenor was of an increasingly ritualistic, rather than functioning institution, reflected in elections being uncontested, a factor which again passed without significant comment.

With regard to the clerical workers, the body was largely viewed as an irrelevance given that it was dominated by production issues and the tendency here was to pursue issues through the line management chain. Many employees were unaware who their representative was, even though the clerical constituencies had remained stable and there were in any case only two delegates. The palpable lack of interest was reflected in the representatives bringing few issues to the table, as the council secretary observed:

I find that the people representing the office workers don't speak much. There is hardly anything said about the office workers, they are very quiet and very rarely have points or bring questions from their constituents - it is really more to do with the factory.

By way of summary, in contrast to the position at both MediCo and FinanceCo, the company council at FridgeCo was widely viewed as a non-legitimate mode of representation. Certainly amongst the production workers, by far the majority constituency, the wage freeze had fatally undermined the credibility of the body – amplified by the perceived exploitation of their foreign colleagues. Context here is all important. The financial plight of the company served to graphically expose the deficiencies of voice provision more acutely than in the other companies, wider employee dissatisfaction seemingly triggering concerns regarding the perceived utility of voice and hence feelings of non-legitimacy, rather than the indifference noted in the other organisations.

#### 5.5.4 Legitimacy as Resource

This section commenced with the strong proposition that legitimacy represents an essential pre-requisite for effective voice. The above discussion demonstrated unambiguously that the three representative bodies lack recourse to this particular resource. At MediCo two broad groupings were identified: for the more senior, largely male workforce, there was a strong credibility gap given that the body was widely perceived as having been ineffectual in protecting such workers' long-term interests. While the more junior, predominantly female, employees were seen to be largely indifferent to the subject of voice, this fell far short of positive cognitive consent to the institution. The latter position likewise captured the prevailing mood at FinanceCo. Conversely at FridgeCo the effective five year wage freeze had served to instil a belief in the non-legitimate basis of the company council. As will be argued in the concluding chapter, this absence of legitimacy has highly ambivalent ramifications for management. At this juncture, however, we are more narrowly concerned with conceptualising the impact of such a lack of legitimacy on the efficacy of the voice process.

Theoretically the implications of an absence of legitimacy are neatly captured within Chaison and Bigelow's (2002: 100) aforementioned proposition that legitimacy represents an important element of institutional access to resources, particularly within the context of mobilisation. Earlier in the chapter reference was made to the importance of leadership. Leadership behaviour was seen to be crucial in instilling both a collective awareness and a sense of injustice, important precursors in generating a willingness amongst employees to engage in collective action, and hence the realisation of significant latent power resources.



Representatives and embryonic leaders, however, function under the aegis of the wider collectivity, and its record as a representative entity must be viewed as an important conditioning factor influencing the potential for emergent and successful leadership behaviour. Suchman (1995:574) has argued that:

Legitimacy is generalised in that it represents an umbrella evaluation that, to some extent, transcends specific adverse acts or occurrences; thus, legitimacy is resilient to particular events, *yet it is dependent on a history of events* (emphasis added).

One corollary to the above is that a chronic inability to deliver tangible gains by a representative body may serve to leave any aspiring leadership potential somewhat hamstrung. The most concise demonstration of this was the MediCo lump sum payment debacle, which represented the only evidence within the research of an explicit attempt by a representative to mobilise his or her workforce towards collective action. It was noted that while the present representative incumbents took a largely passive stance vis-à-vis their constituents, during this particular episode a former representative had attempted to mobilise the setters; a small but strategically important work group. As will be recalled, despite appeals for collective action, i.e. an overtime ban, this group of employees were unresponsive. Although this particular representative was apt to castigate such workers as ‘toothless’, another interpretation is that the ECC’s lack of a legitimate base, derived largely through its inability to deliver tangible gains or protect existing favourable arrangements, frustrated any mobilisation. Klanderman (cited in Metochi, 2002: 88-89) has argued that an individual’s willingness to engage in industrial action rests upon the underlying principles of value expectancy theory, i.e. the calculated costs and benefits of taking part. Given the representative body’s inept handling of various key events, such a decision to eschew the advice to

mobilise suggests a considered and rational response, ultimately fashioned from a lack of belief in the legitimacy of the institution. One implication of Suchman's (1995:575) proposition that legitimacy is ultimately dependent upon a *history* of events is that such representative bodies, lacking credibility in the eyes of the workforce, appear to be caught in a vicious cycle frustrating the creation of a latent power base. This does not of itself preclude mobilisation in such an organisation; however, successful leadership would appear to presuppose that aspiring leaders distance themselves from such fatally tarnished institutions rather than seeking to act from within.

The absence of legitimacy, however, has implications beyond the issue of mobilisation. Effective employee representation assumes a degree of institutional autonomy as between a representative body and its constituents. In the words of Hege and Dufour (1995:93), 'a differentiation from the rank and file is necessary for the process of representation itself'. Similarly advancing this thesis Hyman (1997:31) has argued that:

The articulation of a coherent employee 'voice' requires the filtering and prioritising of multiple, fragmentary and often contradictory grievances; successful interest representation requires a strategic perspective on costs and benefits, risks and opportunities, which in turn often seem to presuppose a certain institutional distance.

Such freedom to manoeuvre, in a word mandate, however, is premised significantly upon employee confidence in the competence of the representative body, i.e. the legitimacy engendered not least through the track record of the institution. Again within this context the MediCo data is particularly illuminating in that there was an attempt by the majority of the ECC group to lever such 'institutional distance'

during the pay review discussions. Nevertheless, there were countervailing pressures with employees critical of the practice and calls for the body to be kept on a much shorter tether. Clearly the outcome of this dynamic is uncertain, but at the very least it would appear that key constituents are increasingly loath to grant the body the space necessary for autonomous deliberation in view of the body's previous inept handling of important issues.

## 5.6 Discussion

The principal theme examined in this chapter has been the utility of NER voice provision. More particularly we have been concerned with evaluating the extent to which such representative structures serve to effectively articulate the interests of their constituents. Early in the chapter, drawing on the extant literature and wider learned comment, the contours of the voice construct were plotted. It was argued that the notion of *effective* voice presupposes the presence of a basic set of resources or requirements; inputs that were captured through the development of the concepts of power, competence and autonomy. The importance of a fourth component, legitimacy, was additionally stressed. Drawing on a systems analogy it was argued that this represents both an output from and input into the representative process, and hence demanded a distinct treatment. This four dimensional framework was used to navigate the case study data. The resultant analytical clarity afforded a systematic evaluation of the relative merits and demerits of the representative structures across the three case study organisations.



At a basic level of analysis the chapter has served to corroborate the findings of the previous micro-level research highlighting the shortcomings of NERs as conduits for collective voice provision. In line with such data the institutions were seen for the most part to represent largely unavailing vehicles for the articulation of employee interests. An evaluation of the structures at a rigorous theoretical level, however, allowed us to move beyond this somewhat bland conclusion.

A feature of the extant literature is the deterministic nature of the accounts. Commentators depict a collection of ineffective and seemingly impotent institutions devoid of any ability to modify managerial action, in all but the most anodyne of areas. This position was not entirely borne out by the research data, however. A fundamental analytical contribution of the chapter has been the tracking of the decision making process through the lens of a thorough and systematic modelling of power, facilitating a sensitive evaluation of managerial-representative power dynamics. To be sure, at a formal level the bodies were seen to possess minimal manifest power, itself tracked to a broad absence of mobilising leadership (see below). The chapter demonstrated, however, that the institutions could exert some influence upon management, not least via their ability to mobilise counter argument.

Broadly a bifurcation in findings emerged. On the one hand the position at MediCo echoed the deterministic tone of the extant literature. While somewhat paradoxically this was the only council with a formal negotiating remit, it nevertheless proved to be the least able of the trio at applying any sort of check on managerial prerogative. On the other hand the evidence within the other study

organisations was less absolute. Data was provided of both significant amendments being made to managerial proposals (FinanceCo), and of representative agents securing tangible managerial concessions (FridgeCo), notwithstanding a lack of any conspicuous latent power resources with which to confront management – such gains were tracked largely to the use of ‘linguistic resources’. At FinanceCo this understated component of power was evident during the re-structuring of the organisation into autonomous business units where representative actors used their specialised functional skills to argue cogently for the maintenance of a particular department earmarked for closure; representatives interceded utilising the managerially seductive ‘legitimising principle’ of efficiency to maintain the *status quo*. At FridgeCo representatives being largely drawn from the shopfloor were less familiar with the lexicon and theoretical frameworks of business discourse.

Nevertheless, they were effective in achieving a concession over the introduction of shift work; in rejecting the original managerial offer representatives were adept in tactically exploiting managerial insecurity and concerns in and around tight labour market conditions, emphasising the potentiality for widespread employee exit. A further aspect of this incident was the somewhat speculative attempt made at workforce mobilisation by the two former shop stewards, one of the few examples of leadership traits being exhibited within the study. It is difficult to gauge the impact of this. However, at the very least it might be suggested that the symbolically novel gesture of a pugnacious duo of representatives requesting the shutting down of production cells to brief employees, was an influential factor in management deciding to draw a line under an episode that was increasingly spinning out of control. Taken together the above data represents a useful corrective to the somewhat blunt impression afforded by extant accounts of a

powerless and impotent collection of institutions; a conclusion typically forged from an unrefined conceptualisation of power.

As was demonstrated, however, such incursions remain relatively rare phenomena. While an evaluation of power afforded a lucid tool towards a fuller understanding of the efficacy of such structures, it remains but one conditioning factor. An illuminating insight was afforded by the importation of the concept of autonomy into the theoretical schema. If the section on power demonstrated some amplitude for NERs to influence managerial action, notwithstanding the lack of recourse to collective sanction, what came through strongly subsequently was that the space for such persuasive moments was very much mediated by the limited independence of the structures.

An obvious starting point in our critical assessment of autonomy was the derivation of the formal constitution of the NER structures – a critical area given that Batstone *et al.* (1977:108) have argued that ‘rules often constitute the routinised means of applying the dominant ideology to particular situations and problems’. In all instances such terms of reference were seen to be managerial emanations, serving to tightly delineate and confine the legitimate areas of engagement. The application of a second test that sought to evaluate the extent to which the already restricted agenda was substantively independent of management served to further qualify the notion of institutional distance. At both MediCo and FridgeCo we saw how the councils were very much fora for the communication of management’s version of reality, ideology and values - components of a wider ideological armoury neatly captured in Poole’s notion of ‘mental resources’. Interestingly, both bodies were



ensconced within wider strategies of systematic top down information provision. During council gatherings representatives at both organisations were additionally subjected to a further profusion of business related data building upon the generic exposure of the wider workforce, and this served to further conflate the goals of the organisation with the interests of representation. Such a barrage of top-down media was seen to mediate the degree of independent challenge mustered by the bodies. This typically rendered the managerial interpretation of key events, and certainly its ultimate prognosis, beyond censure.

In a similar fashion, although for different reasons, a lack of autonomy was seen to compromise the effective functioning of the FinanceCo head office PC. It was strikingly apparent that this body served to lure into its ranks a clique of ambitious career-minded employees anxious to colonise the structure for self-centred occupational reasons, rather than the furtherance of wider constituency interests. Careerist motivation was seen to render many representatives loath to push employee demands. Such behaviour was explicable firstly in terms of the inclusive nature of the representative body. A presence on the PC was seen to afford ambitious employees high profile managerial access; the forum therefore provided a useful shop window for the more enterprising junior members to impress their more senior colleagues and to network more generally. Secondly, given that in line with the wider corporate ethos the body is marketed philosophically as an integrational tool, the representative leaning is to play down the pursuit of a narrow and distinctly employee-orientated set of interests. If we follow this line of analysis, however, a seeming contradiction emerges. It will be recalled that the head office councils was credited with the tenacious pursuit of constituency

interests during the recent restructure of the organisation, wherein the senior managerial team reversed the decision to abolish the internal communications department. A closer look at this episode, however, demonstrates its congruence with the above account. The institutional emphasis is upon mutually beneficial outcomes rather than the pursuit of distinctive constituency interests. It is of note in the above example of an apparent employee 'win', that while the outcome benefited a discrete group of employees ultimately this was somewhat epiphenomenal. As discussed the 'legitimising principles' proffered by representatives related to corporate efficiency considerations. It was the integrative nature of the subject matter that marked this as a legitimate area of representative challenge, tempting representatives to put their head above the parapet. Such bold behaviour was far less evident in and around more distributive zero-sum issues.

In contrast to the head office body the retail council was seen to be less prone to such incorporative tendencies. It might be conjectured that this is a function of the lower career aspirations of most retail employees serving to vitiate the perceived long-term costs of challenge. Any dissent, however, was typically restricted to day-to-day housekeeping issues rather than the more technical topics that often engaged the head office council.

Clearly within the above account there are some implicit linkages between power and autonomy that warrants some further exploration. The point was made that the relative absence of manifest power is itself a function of a lack of significant latent power resources. Within the case studies the explanation for this state of affairs focussed on the absence of visible mobilising leadership, as in wider trade union circles such a trait is viewed as the *sine qua non* for collective action (Kelly,

1998:4-35). Such an inference begs the question of why leadership behaviour fails to develop in such settings – a point hitherto neglected. The lens of autonomy provides a useful vehicle through which to speculate upon this issue. A plausible interpretation is that the norms of corporate culture, reinforced and transmitted to representatives via the heavy use of ‘mental resources’ and targeted at the *a priori* structuring of attitudes, mediate the potential for leadership to emerge. Within all three organisations there is an element of cultural management, powerful ideological influences operate and heavy pressure is placed on representatives to conform to the managerial norms and values which are predominantly unitary. This process may be conceptualised in terms of a representative career during which delegates are exposed to a socialisation process that characteristically feeds into moderate demands and responsible behaviour in the eyes of management. Within such a setting, headstrong behaviour is apt to be interpreted as disloyalty, rendering any aspiring activists potentially estranged from both their mainstream colleagues and managerial sponsors.

It warrants comment that one important corollary to this want of leadership is that employees rarely enter as a visible presence directly shaping outcomes as a collective entity or resource. One exception was the FridgeCo shift working scenario where the financial situation of employees became so intolerable that there was an element of spontaneous workforce dissent, the momentum being maintained not just by the ex-shop stewards but among a similarly disaffected wider group of representatives emboldened to undertake the role of malcontents in the mobilisation of argument. It is only, however, seemingly in such circumstances of extremis, that give rise to a groundswell of rank and file dissent amongst a critical



mass of employees, that workers finally enter as a differential influence visibly shaping events. The introduction of the lump sum payment at MediCo, and the planned abolition of internal communications at FinanceCo provided similar examples of rank and file vexation triggering a representative response. Such instances aside, where there is an element of extemporaneous employee objection directly prompting representative action, the absence of proactive leadership for the most part is decisive in neutralising employees as influential third party actors.

Turning now to consider the third dimension of our analytical schema this concerns competence. It was suggested above that the absence of externally derived ideological sustenance severely compromises the effective functioning of such structures. By similarly isolating competence as a variable the chapter again demonstrated the inherent difficulties faced by such atomised islets of employee voice. What came through strongly was the insularity of the structures. The inability of the bodies to look externally for information, expertise, advice and guidance and - more germanely - training provision, was seen to further limit any scope for tangible gains over and above the more obvious constraints imposed by scant power resources and limited autonomy.

The section opened with the strong proposition that *a priori* representative agents are disadvantaged in their dealings with management because the dominant discourse and theoretical schemas utilised routinely in discussions represent managerial tools. Furthermore, not only are managers generally more familiar with the lexicon, but specialist personnel such as accountants, lawyers and personnel staff are likewise routinely at hand to support, bolster and lend credibility to the

managerial position. There are clear linkages to the utilisation of ‘mental resources’ explored above, as such a disparity is a potentially powerful ideological tool serving to underwrite managerial prerogative by demonstrating its genesis in expertise and competence.

The central theme explored was the extent to which management had sought to restore some semblance of balance through formal training provision. A broadly similar pattern emerged, training was either negligible (MediCo and FinanceCo) or present but ill-conceived (FridgeCo). Thus, at MediCo, any attempts by representatives to temper managerial prerogative were clearly restricted by their limited grasp of both financial and procedural matters. Likewise, at FridgeCo a dearth of pertinent technical training ensured that the quite widespread business information disclosed to representatives was treated in a fairly passive manner - the corollary being that the business decisions that ensued were rarely subjected to informed analysis. At FinanceCo, by contrast, the position was far more varied. Within the head office council, despite a dearth of training, the functional status of many employees dictated that the senior managerial position on key issues was *potentially* open to far more vigorous challenge. That this routinely failed to materialise, notwithstanding constituency concerns at various managerial initiatives, for example alterations to profit related pay and the removal of health care benefits, is explicable in terms of the questionable autonomy of the body. Interestingly, it is clear, therefore, that the oecumenical nature of the consultative infrastructure has ambivalent ramifications for the voice process; the inherent inclusivity serves to enhance the competence of the body while the potential for careerist aspirations seemingly neutralises any potential gains. Interestingly within

the retail council the converse applied; discussions characteristically were fairly parochial in scope, the more restricted range of generic skills allied to the absence of training serving to preclude engagement with the more technical matters.

This FinanceCo data clearly serves to emphasis the need for circumspection with regard to Heller's thesis stressing the importance of training to the successful introduction of schemes of employee participation; it is all to easy to talk up the significance of competence *per se*. Deficiencies in autonomy can clearly serve to diminish the extent to which any enhanced competence is automatically and necessarily translated into greater efficiencies.

It is evident from the above discussion that deficiencies in all three areas of resource provision, power, competence and autonomy, serve to undermine the efficacy of voice provision in each of the study organisations. Nevertheless, despite these broad similarities in pattern some interesting differences emerged in employee responses tracked under the section on legitimacy. The concept was operationalised predominantly in terms of employee perceptions regarding the procedural arrangements and substantive outcomes of the voice process. It will be recalled from the preamble to the chapter that a central theme of the research relates to whether employees under such structures feel empowered in having the ability to formulate and shape the decisions affecting their working lives. In view of the earlier analysis it was unsurprising that for the most part employees felt alienated from the important decisions impacting upon them. Paradoxically, however, while generally employees did not feel a sense of empowerment and positive cognitive belief in the legitimacy of the representative bodies nor,



FridgeCo aside, were they uniformly disdainful of the voice process. At both MediCo and FinanceCo this is explicable largely in terms of factors beyond voice provision *per se*. Taking MediCo first, the paternalistic nature of the benefits package was reviewed in chapter 3. On top of wage levels that are deliberately positioned by management within the local upper third for equivalent work, employees have access to a range of benefits including share ownership, profit share and health screening. The corollary was that for many employees there was broad satisfaction with ‘bread and butter’ issues such as wages and benefits. While it was often acknowledged that the voice process was ineffectual, set within this organisational context many employees were not unduly concerned, the majority mood being one of indifference to the topic of voice. Certainly strong feelings were additionally elicited, demonstrative of perceptions of the non-legitimate status of the ECC. This was, however, confined to pockets of senior male staff vexed at the failure of the body to veto the imposition of the lump sum payment in the 1999 pay round, and the earlier withdrawal of average earnings. Within this broad context Patricia Findlay’s (1992:88-89) comments, based on her own research into non-union organisations in the Scottish electronics sector, are apposite:

It can be argued that employee performance and attitude in non-union firms was more influenced by other components of company manpower policy, such as good conditions, high wages and good benefits, than by the companies’ approach to representation. This is not to argue that employees are uninterested in representative structures, but simply to concede that other factors may be more important in determining their level of satisfaction. Where companies can convince employees that they are looking after them...then the need for more rigorous representative channels may be less pressing.

The MediCo position was broadly mirrored at FinanceCo, the topic of voice being most singularly marked by an air of dispassion. Again, an important contextual

factor was broad satisfaction with the unilaterally imposed terms and conditions of employment – salary levels being benchmarked against the industry norm.

Conceivably, however, other factors were at work undermining the relevance of a *collective* body within this organisation. We saw in the previous chapter how the company had brought into play a number of ‘progressive’ HR practices that are commonly associated with the HRM rubric - an approach that seeks to emphasise the *individual* dimension of the employment relationship. For example, in terms of pay structures and formulae a recent innovation had been the introduction of broad banding allied to regular appraisal and assessment - individual employee pay progression is dependent upon the successful outcome of such reviews. This form of initiative clearly serves to de-collectivise core components of the employment relationship. Given such a scenario it is perhaps unsurprising that the topic of *collective* voice often met with an indifferent response.

In contrast to the other two organisations, at FridgeCo it was evident that shortcomings in the utility of the voice mechanism coalesced strongly into a belief in the non-legitimacy of the institution. While in the other case studies deficiencies in the voice process were cushioned by the more favourable economic context, rendering the legitimacy of the institutions somewhat ambiguous, the FridgeCo council was more nakedly exposed. The financial context dictated that management was stripped of the headroom to ‘buy off’ employee dissent as at FinanceCo and/or engage in fairly painless rent seeking through the representative group as at MediCo.

Ultimately, while the overall position in the three organisations was somewhat variable, it was demonstrative of an absence of a *positive* cognitive belief in the legitimacy of any of the institutions and it is ultimately in terms of the lack of legitimacy that the ineffectual nature of these institutions must be understood. For the most part the absence of this resource was masked, given that the use of mental resources precluded any concerted challenges to management. In one of the few examples of leadership behaviour surfacing, however, at MediCo, we saw how the absence of this crucial resource mitigated against collective mobilisation, rendering the ECC devoid of the sustenance from which any sort of latent power base could be derived.

The above discussion has highlighted the shortcomings in the efficacy of voice provision within each of the study NERs. It will be recalled that the previous chapter addressed the topic of managerial motivation. Hitherto these two broad areas of research have been treated as discrete themes. The remaining task is one of synthesising the above areas of analysis and placing them upon a broader theoretical canvas - it is to this exercise that we now turn in the concluding chapter



## Notes

1. This is a computerised version of viaflex production that was being piloted.
2. In a follow up visit to the plant in March 2002 – 16 months later – the wage freeze was still in place.
3. For example, the preamble to the employee ballot on trade union recognition commenced in the following terms:

Why do we need formal structures for consultation? As stakeholders in the development and success of the organisation in which they work, employees, like others, have their own interests and perspectives and look for a means to express their 'voice' individually or collectively.

4. In their study of shop steward behaviour Batstone *et al.* (1977:29-32) draw a useful distinction between delegates and representatives. The idea of a delegate is that he or she should seek a mandate on each issue from his or her membership and do no more than carry out their wishes. In contrast, a representative is often expected to adopt much more of a leadership role taking initiatives in the development of policies and their execution.

## CHAPTER SIX

### DISCUSSION AND CONCLUSIONS

Within the introductory chapter it was emphasised that the study of non-union industrial relations remains something of a blindspot within the discipline.

Although strides have been made over recent years to address the lacuna, the emphasis has characteristically been upon non-union exemplars of the fashionable concept of human resource management. Since the orthodox approach is to conceptualise this as an individual approach to the management of the employment relationship, the study of NERs has consequently remained somewhat limited and attracted relatively scant academic comment. It was argued that the presence of these structures in a significant minority of organisations renders the present position untenable, more so in view of recent legislation extending the coverage of non-union consultation. This evident empirical and theoretical vacuum created the context for the thesis. Further to exploring the impact of this mode of managerial intervention upon the workplace two core themes were examined. Firstly, attention was given to the managerial logic underpinning the presence of these structures. Secondly, from a workforce perspective, the efficacy of the various institutions as theatres for the provision of collective voice was evaluated. Despite the recent attention of a small number of scholars, these are themes that have been largely devoid of analysis.

Hitherto within this thesis these thematic areas have been presented, both empirically and analytically, as self contained fields of study. If we are to offer a coherent and integrated account of these structures in the final analysis it is necessary to transcend such compartmentalisation and to amalgamate the salient findings from the two data chapters. Accordingly, this chapter initially sets out to explore the inter-connections between the two substantive data sets. The underlying premise is that the shortcomings in voice, catalogued in chapter 5, are only explicable with reference to the wider managerial logic and motive underpinning the presence of these structures, outlined in the earlier chapter. In order to lend articulation to the above themes we again draw upon the contours of the voice construct modeled in chapter 5. Through these four spheres, or dimensions, of voice, it is possible to conceptualise the implications of a fundamentally defensively orientated managerial intent upon the voice process. Further refining the analysis the notion of tension is introduced. It is argued that there are a medley of contradictions within this mode of managerial intervention that serve to delimit the potential for successful outcomes, not simply for labour but also for capital. Pursuing this topic managerial outcomes are likewise reconsidered, and more specifically the non-legitimate status of the councils is seen to have ambivalent ramifications. Most significantly, given the absence of legitimacy, it is argued that the non-union status of the three organisations can only be understood with reference to factors *beyond* the presence of the representative bodies. Exploring this proposition the analysis moves on to account for the factors giving rise to the lack of widespread trade union interest within the constituent workforces.



In the second half of the chapter we further probe the topic of tension, and in this instance the focus is exclusively upon managerial designs. The emergent theme is that the industrial relations and market participatory goals pursued via the agency of these structures are driven by rival ‘logics of action’. Such logics emanate from business pressures upon management to both maintain prerogative, and activate employee commitment and co-operation through workforce involvement in the very decision making process that it wishes to control. It is again argued, therefore, that there are inherent contradictions at work, giving rise to a marked institutional dysfunctionality. This is not to suggest that such bodies lack any meaningful corporate purpose - indeed their utility as a managerial tool is further considered - but rather that they are ineffectual tools for delivering the primary managerial goals highlighted in chapter 4. In the final section we close with a synopsis summarising the implications and contribution of the thesis with regard to the key theoretical debates, as enunciated in the introductory chapter. In order to provide a firm context for the above analysis, however, the discussion firstly commences with a brief recapitulation of the key emergent themes from within the two data sets.

## **6.1 Principal Findings: Issues of Commonality and Divergence**

A marked feature of the existing literature is that it treats employee outcomes in isolation from managerial goals. Consequently, even though a variety of deficiencies are noted, such studies actually *explain* little in terms of the underlying processes underpinning the empirical observations catalogued. As a corrective within this thesis the theme of managerial motive was placed centre stage, occupying the first data chapter. If we consider the analytical framework derived

from the generic participatory literature it is evident that elements of both industrial relations and market participation were depicted at various junctures. However, what was essentially common across all three organisations was the former rationale. The bodies were positioned as tools of union avoidance which the analysis subsequently moved on to track to wider corporate priorities. Towards this goal the thesis adopted a variant of the contingency approach utilised by Ackers *et al.* (1992), drawing upon Freeman and Medoff's (1984) modelling of the purported 'monopoly face' of trade unionism. The latter schema was seen to contain components relating to both the alleged union 'mark up' and issues appertaining to restrictive practices. Within the case studies the latter concern was largely to the fore, as the benefits of non-unionism were predominantly conceived in terms of organisational flexibility and the ability to operationalise change without reference to a potentially obstructive independent external body.

Although previous studies have alluded to the use of NERs within a policy of union avoidance, albeit *en passant*, a marked deficiency has been the absence of rigorous attention to the *modus operandi* of the evasion strategy, a reflection of circumscribed research design. This represents a significant oversight because, as will be argued, at a theoretical level this can be linked to discussions regarding the various shortcomings of this mode of representation. Two variants were posited for analysis: substitution and acculturation. Despite being useful points of entry these were seen to be bi-polar theoretical constructs that failed to convey the complexity and fluidity of the situation. In fact, to differing degrees strands of both variants were seen to coexist. MediCo conformed most tightly to the substitution model with management going to great lengths to suggest that the annual pay review was

the outcome of vigorous contest. Nevertheless, in such discussions management simultaneously sought to ‘enlighten’ representatives with regard to business imperatives, in particular the significance of labour costs for the *real politik* of inward investment was given heavy and detailed coverage. At FridgeCo the remit of the de-recognised trade union had been transferred laterally to the company council, again indicative of a substitution or surrogate role. The outstanding feature here though, was the systematic provision of very extensive business data that sublimated into the attempted utilisation of the representative group as a means of educating the wider workforce as to the cogency of managerial action, and the ongoing need for financial sacrifice. At FinanceCo acculturation was at its most subtle. In this setting there was an overriding desire for a consensus culture. This was pursued, however, not via direct education, but more symbolically through the very structure and terms of reference of the partners’ council. Management sought to prevent an ‘us-and-them’ scenario developing by the construction of an integrative body that comprised a mix of both managerial and non-managerial grades. In terms of the council’s remit senior managers sought to avoid the potential for conflict by eschewing the traditional agenda of collective bargaining, with consultation purposely steered towards an agenda consisting predominantly of less contentious HR policy issues. Nevertheless, even this situation was far from static or absolute; the employee ballot that demonstrated significant minority support for trade union recognition (32%), served to question the cogency of a union evasion strategy pursued singularly through the ‘ideology of consensus’ (Broad, 1994:29), and was reflected in a move to bring pay issues more squarely into the consultative arena, i.e. tentative moves to a substitution format.



So far we have re-emphasised what was essentially common across the three case studies. Plainly, however, when the analysis moved on to consider goals targeted at market participation significant differences emerged. It is here perhaps that the contingency derived approach was at its most useful in outlining the factors that had resulted in a difference in emphasis. In terms of the two manufacturing organisations, at FridgeCo, in contrast to MediCo, it was evident that the involvement and engagement potentially afforded via the representative body was conceived as complementing and dovetailing into the more demanding cellular format of production. Similarly, at FinanceCo concern with regard the increasingly competitive terrain, and the potentially destabilising impact of perennial organisational change, generated a desire to elicit employee 'buy-in' or co-operation through the legitimacy afforded via consultation. The latter examination in particular served to re-connect the study of NERs with managerial preoccupations relating to - if not the full circuit of capital - certainly wider facets of the valorisation process, *pace* existing accounts that implicitly borrow from the Ramsayesque thesis in focusing exclusively upon issues relating to the control of labour.

Within the subsequent chapter, however, it was the uniform emphasis noted earlier, with regard to the retention of control through the maintenance of managerial prerogative, that was predominantly reflected in the outcomes of the voice process. In none of these instances was employee empowerment ever seriously on the agenda. Echoing the existing data sets, the bodies were seen to be broadly unavailing vehicles for the furtherance of employee interests. Management strove

to retain the initiative in all key areas of the decision making process, with management's right to manage afforded privileged status.

Consider, for example, MediCo. Here it was evident that even though the annual pay review was billed as a process of negotiation, management was attentive in ensuring that the process conformed very tightly to its own interpretation of what was considered expedient, reducing the ensuing discussions to an act of non-participation. Similarly, the representative body repeatedly proved itself impotent in resisting the managerial reigning in of various arrangements viewed favourably by significant constituencies.

FinanceCo was distinct from MediCo in that management was far more circumspect with regard to the consultative agenda, the aim being to project a unitarist view of the firm through the very agency of the structure. In view of this fact, unlike MediCo, management would not have countenanced extending the remit of the body into such an obviously divisive area as wage determination. One outcome was that the evident shortcomings of the partners' council were less wantonly exposed. In fact, the case study evidence suggested a collection of favourable outcomes had been secured by the representative body; e.g. the maintenance of the internal communications department at head office and the continuation of a coaching function at retail level. These instances, however, were less examples of the protection of employee interests *per se*, than the furtherance of those of the enterprise. Employee input was taken on board because of its perceived contribution to efficiency goals, and such outcomes were consonant and compatible with the unitary philosophical basis of the body that management

sought to emphasise. Generally management was successful in cocooning the body from a more potentially discordant subject matter. However, more distributive matters did surface, and in these instances the partners' council was no more successful at tempering managerial prerogative than its MediCo counterpart. In short, the body was more a component of ideological armoury, a means of operationalising the unitarist perspective, than a mode of consensual decision making that served in any way to further the interests of employees *sui generis*.

Within our third case study organisation, FridgeCo, the same findings relating to the inefficacious nature of the voice process were again mirrored, graphically captured in an effective five year wage freeze. The emergent theme was that of a somewhat wearisome discourse between delegates and management with the former group's petitioning for a pay increase systematically neutralised by managerial depictions of an ongoing financial crisis. Significantly, employees, their frustrations lacking a conduit of influential collective expression, were apt to resort to a more individually framed sanction - that of exit.

## **6.2 Conceptualising the Linkages Between Managerial Motive and the Functioning of Voice**

It is clear from the above account that two substantive findings were fundamentally common across all the case studies. On the one hand defensive goals in and around the maintenance of managerial prerogative, through a strategy of union evasion, formed some element of the milieu of motive, while on the other, the bodies were seen to be broadly ineffective modes of voice. This section seeks to lend



articulation to these important themes. The central proposition is that the attempted realisation of defensive goals relating to the maintenance and/or sharpening of prerogative seriously undermines the utility of these structures from a workforce perspective. The analysis again borrows from the conceptualisation of voice provided in chapter 5.

A common finding across all three organisations was the presence of constitutions and terms of reference that were exclusively managerial emanations.

Unsurprisingly, in view of managerial preoccupations relating to issues of workplace control, at their inception the bodies were lacking in formalised power. Indeed, one would not expect a management so pre-occupied to subsequently gift significant manifest power resources to a representative body crafted by itself; any radical attempt at employee empowerment would clearly serve to undermine managerial authority, rather than protect or bolster it. Consider, for example, FridgeCo where the company council was created following the de-recognition of the then AEU. Although the union had enjoyed full negotiating rights, management were attentive in ensuring that upon its creation the competence of the company council extended no further than consultation. This gave rise to a shift in organisational power dynamics to a situation more conducive to immediate managerial goals relating to widespread and radical organisational change. At FinanceCo the ‘scope’ of discussion similarly did not extend beyond consultation, but a further finding here though was that the ‘range’ of influence of the partners’ council was significantly compressed, with management from the outset debarring obviously distributive matters such as discussions over wage issues. In the one instance, MediCo, where the terms of reference of the representative body extended

into the terrain of negotiation, management went to great lengths within the pay review process to subsequently disarm the body through the heavy and structured use of ‘mental resources’, a theme developed below.

Within the above context of manifest power the inter-connections between managerial goals and the contours of voice are conspicuous; there is an evident linearity between defensive intent and the genesis of institutions formally ‘soft’ on power. The articulation between motive and voice, however, operated at a more subtle level, undermining the autonomy of these structures and ultimately their latent power resources. A commonality across the three studies was that, to varying degrees, the goal of union evasion was pursued through a strategy of acculturation, i.e. ‘the internalisation of the organisation’s objectives at the individual level’ (Bolle De Bal, 1992). FinanceCo was distinct in that this was manifest symbolically in the very framework of the representative body. Its inclusive format captured and radiated the unitary culture and ‘community of interests’ (Cressey *et al.* 1985:161) that the organisation was keen to project. The emphasis on consensus dictated that the overriding focus of the body was that of a delivery mechanism for a range of integrational outcomes; this was seen to detract from the effectiveness of the voice process, particularly within a head office context, as it attracted a clique of representatives predominantly concerned with career enhancement. The structure was a tool that might allow these delegates to ostentatiously offer expertise or network more generally, behavioural traits that served demonstrably to undermine the autonomy of the voice process.

Within the MediCo and FridgeCo settings the acculturation process was similarly evident. Nevertheless, these instances differed in that the representative frameworks, at least outwardly, were suggestive of the trappings of organisational pluralism. Within both organisations the range of discussions encompassed more distributive, potentially antagonistic issues. MediCo was further distinct in that the key set piece event, the annual pay review, was ostensibly a negotiating process. Given the greater potential procedural latitude for employee challenge in these settings the process of acculturation was more directly educational, a practice that at times served to qualify considerably the parameters of what were considered legitimate areas of employee dissension. In both organisations management sought to educate delegates as to the cogency of managerial action and similarly immerse them heavily in corporate definitions of success. Thus, at MediCo during the annual pay talks representatives were reminded of the necessity for ‘favourable variations to budget’, while at FridgeCo, ongoing emphasis was placed on operational metrics such as market share, turnover and profit and loss. This use of ‘mental resources’ was directly corrosive of the autonomy of the representative process, as in both organisations it operationalised representative responsibilities to both constituents *and* management. Further clouding the issue, explicit (MediCo) and implicit (FridgeCo) linkages were made between such metrics and plant viability, with ideological pressure brought to bear that sought to legitimise managerial action via ‘the logics of the market’ (McArdle *et al.* 1995:167). In sum, the core obligations and accountabilities of the delegates were somewhat blurred as the terrain of perceived common interests became an expansive penumbra. The example *par excellence* was the situation at FridgeCo, where somewhat remarkably the majority of representatives stoically accepted the ongoing 5 year wage freeze.



It is additionally significant that the restricted latitude for autonomous behaviour visited upon the representative bodies via the use of mental resources re-connects into the issue of power. It was argued in the previous chapter that the absence of autonomy was a crucial antecedent, neutralising the opportunities for workforce mobilisation, in those few situations where a distinctly workforce set of priorities struggled to the surface. Despite the outwards trappings of pluralism in two of the organisations, pervasive unitary influences were operative within the sub-structure of all companies. In the face of the heavy imposition of managerial norms and values the pressures for conformity are immense, undermining leadership behaviour and the potential for employee mobilisation. The process of acculturation is thus decisive in eroding the creation of a latent power base, and an effective platform from which to challenge management. The maintenance of these institutions as detached islets of voice, devoid of extra organisational ideological sustenance reinforces such normative control.

It is clear that evidence can be found linking the defensively motivated intent harboured by the various management groupings to deficiencies within the voice process. In a similar vein a further intriguing issue concerns the theme of training provision. A common finding across all three organisations was the absence of any sort of systematic and ongoing developmental programme for representatives.

It will be recalled from chapter 5 that Heller (1992:152) has argued that the inequality in competence, serving to mediate the efficiency of voice provision, may be reduced or eliminated by providing appropriate training alongside the introduction of participative schemes. Since management had gone some way to

remove the problem of information asymmetries, at least within two of the organisations (MediCo and FridgeCo), where there was very extensive provision of business information, the obvious correlative was the tuition that would enable delegates to make sense of the data and theoretical schemas within which it was ensconced. Within both of the above organisations, however, even though extensive information was made available, various important decisions were devoid of any technical critique, with representatives ultimately lacking the expertise to either seriously challenge management's interpretation of events, or proffer alternative courses of action.

The absence of systematic training provision would appear to connect with a management preoccupied with the maintenance of managerial control and hegemony. Specifically, the absence of formal tuition in technical areas complements the acculturation process alluded to above. It is far easier to argue that there is a convergence of interest over particular issues if representatives lack the skill to seriously challenge management's interpretation of market signals. In such instances the depiction of management as a neutral technocracy pursuant of common goals becomes the more credible. This much having been said, the extent to which the dearth of training provision represented deliberate managerial strategy must remain a matter of conjecture. Certainly at FridgeCo the vicissitudes of the final crisis and the incumbent necessity to 'trim wherever possible' was not a situation conducive to the resourcing of external customised training provision. More notable, therefore, was the MediCo situation where the representative body was situated within a less pressing financial setting. Here the absence of significant training provision was cited by ex-delegates as a cause for resignation, but still

significantly management failed to take corrective action, notwithstanding an acute shortage of representatives. Unique amongst the three study organisations here the terms of the representative body formally extended into the terrain of negotiation, a process nevertheless tightly micro-managed to stifle potentially destabilising representative dissent to managerial interpretations of what was affordable. It will similarly be recalled that the presence of a set of relatively callow representatives had during various significant episodes yielded tangible procedural benefits for management. Ultimately within the context of such a parody of pluralist industrial relations it is plausibly in management's best interest to preserve the mystique in and around managerial ideas, theories and concepts. Not only does this diminish the possibility of robust employee challenge, and, therefore, underwrite the sanctity of managerial prerogative; it additionally serves, by omission, to emphasise the especial skills and competence of management, and hence its ultimate legitimacy and right to manage.

It is evident, therefore, that to varying degrees goals relating to a defensively orientated intent crucially condition the aforementioned components of the voice construct. Additional to the dimensions of voice considered above, in chapter 5 legitimacy was positioned as fundamental to any conceptualisation. It was argued that ultimately this was the barometer and criterion on which the health and vigour of voice must be assessed. The inherent failure of the structures 'to deliver the goods' was viewed as pivotal in undermining any claims to such legitimate status. Drawing upon a systems analogy legitimacy was conceptualised theoretically as both an outcome of, and an input into, the voice process. Indeed within this latter context it was positioned as the *sine qua non* of effective voice. In the final analysis



it is through its corrosive impact upon the legitimate status of these structures that a managerial intent pursuant of the maintenance and/or furtherance of prerogative must be understood and conceptualised. Ultimately, as argued in chapter 5, in the long-run it is this resource that is crucial in determining the willingness of employees to pursue a collective response. In view of the straightjacket of managerial domination and direction under which these bodies function, such a shortcoming was largely hidden from view. However, notably, in the one instance (MediCo) of workforce leadership behaviour surfacing, where there was a call for an overtime ban, the absence of legitimacy frustrated any attempt at employee mobilisation, undermining the utility of the representative body as an effective conduit for the articulation of employee interests.

### **6.3 Incongruent Goals and the Dynamics of Tension**

While a core managerial driver was the maintenance of prerogative through union evasion, *a priori* for employees the primary purpose of collective voice centres on its ability to shape and influence the decisions affecting their working lives.

Philosophically the above proposition derives from the notion of the inequality in bargaining power between capital and individual workers, and the inherent potential for the economic coercion of an atomised workforce (Dickman, cited in Greenfield and Pleasure, 1993:174). Within the case study organisations, if management sought to privilege its hegemony and authority via these structures, employees inevitably wished to temper this to varying degrees. The significance of this tension for management is that employee frustrations could find expression in demands for external representation. For certain, as discussed in all three of the

organisations, management had sought to square this circle and strongly influence the terms of the resolution of this tension through the process of acculturation. This was manifest in an expansive hinterland of a community of purpose, compressing the potential for the emergence of clashes in outlook. The process of acculturation, however, was not absolute and from time to time delegates articulated a distinct set of priorities and sought to resist management in a deliberate and purposeful manner. In particular the more extreme examples of managerial autocracy at both MediCo and FridgeCo met with resistance. Hence, we saw at MediCo how the imposition of the lump sum payment in 1999 was both vetoed by the ECC and resulted in the effective collapse of the body. Similarly, at FridgeCo the original pay offer that accompanied the introduction of shift working was roundly rejected. This notion of contradictory values and goals is not novel; indeed, the potential for such tension is acknowledged within the wider generic literature on participation:

The ultimate problem in adjudging the ‘success’ of participation is to be seen in the values and subjective nature of the exercise. Participation, as the term is used by managers, is very different from what it means to workers (Anthony, 1977: 254).

A distinct feature of this thesis, however, is that the nature of the fine grained micro-level research was able to identify manifest expressions of the evident tensions unleashed, rather than simply rehearsing issues of theoretical irreconcilability that are too often a feature of the wider participatory literature (cf. for example, Bolle De Bal, 1992; Loveridge, 1980; Ramsay, 1977). Contradictory pressures ensured that there was no stable equilibrium within any of the three settings, the phenomenon of non-union representation was seen to be fluid and dynamic, moving in response to a range of interacting factors derived from often incongruous aims. Previous studies by Broad (1994), Gollan (2001) and Watling

and Snook (2001) have implicitly demonstrated the presence of this tension in somewhat spectacular fashion, through the demise of the non-union structures under scrutiny. This study stands as an empirical corrective in that the strains can be mapped to the level of more workaday social relations.

At a fundamental level the tensions unleashed are present at the very inception of these institutions. For the most part the constitutions gave rise to a consultative format. This embodies a realisation on the part of management that a minimum level of effectiveness is necessary to placate any employee demands for external representation, while the absence of veto enshrined within this concept is nevertheless a means of coming to terms with the desire that voice should in no way impinge upon management's right to manage. While the constitution sets out the formalised terms of reference, once established the management-delegate interface takes on a dynamism of its own. There may be immense asymmetries in power and influence, but the position is nevertheless far from static. There is an 'ebb and flow' in social relations derived from conditioning factors both external and internal, ultimately manifest in tactical adjustments by management. On occasion exogenous influence intervenes, in other instances employees enter as forces influencing the interplay of contrary pressures. The most significant findings in the former respect emerged at FinanceCo, where management was responding in a measured and strategic fashion to the recognition legislation, anxious to damp-down any demand for trade union representation. Subtle but significant micro-level adjustments were being made to the consultative agenda, with plans afoot to extend consultation into wage areas. Important procedural adjustments had likewise taken



place, most significantly, the appointment of the first full-time representative, with management clearly looking at the issue of voice afresh.

This theme of course returns us to Ramsay's (1977) depiction of managerial interest in participation being a function of threats to managerial authority, giving rise to 'cycles' of interest. Ramsay's notion of cycles, however, is suggestive of managerial interest being of a more secular than fluid nature, a derivative of the author's macro-focus. Conversely, the depiction here is of management as an ever vigilant actor, constantly responding to both external and internal stimuli. This more dynamic scenario is better captured in a 'wave' metaphor, subsequently developed by Marchington *et al.* (1993), noted in chapter 4. The core thesis is that at a micro-level the shape of participation varies over time and is subject to a range of forces, giving rise to waves of managerial interest (ibid: 553-554). While the authors focussed on the career aspirations of managers as driving the 'waves', the contention here is that, as the above tension centring on issues of workforce empowerment becomes more marked, this is reflected in a subsequent re-emergence, or wave of interest in the representative structure.

The waves metaphor captures admirably the marked rejuvenation of interest at FinanceCo in the representative format, following a legislative shock. Crucial for current purposes is the wave dimension of centrality, which is the adjudged significance of the participatory initiative 'among the multiple concerns and activities in an organisation' (ibid:559). As the authors note, participatory structures are not necessarily an 'add-on', and may be viewed as a complementary means of assisting other accomplishment. Given the focus on the PC as a

component of a union avoidance strategy, its increased ‘centrality’, or high profile, following the legislation may be viewed as a natural and predictable managerial response.

If FinanceCo provided the sharpest example of deliberate and purposeful managerial re-balancing of interests giving rise to a distinct ‘wave’, the situation was nevertheless fluid within the other study organisations. At FridgeCo it was evident that there was a perception that the issue of unionism required attention given continued union interest in the firm. However, the increasing reliance on non-contract agency staff dictated that the dynamics were the reverse of that encountered at FinanceCo, and the situation had moved on considerably from the consultation that surrounded the introduction of shift work that became, *de facto*, a process of negotiation.

MediCo was distinct in that this was the only example of a body with a purported negotiating remit. Following Ramsay the process was depicted as essentially pseudo or phantom in nature. Ramsay’s conceptualisation, however, is perhaps again ultimately too blunt an instrument to capture this element of organisational reality. Ramsay’s suggestion is of decisions being made unilaterally, with ideological justification afforded unwittingly via the representatives’ imprimatur. Management does not, however, function in a corporate vacuum and employees occasionally intervene to influence the interplay of conflicting pressures. The process may be pseudo in so far as the outcome is ultimately fixed by management, but the MediCo case suggests that the range of ‘apparent concessions’ is not static, but rather a barometer of micro-level tension. It is noteworthy that the two pay

review processes tracked gave rise to markedly different results: a fixed lump sum payment derided by much of the workforce in 1999, followed by a more favourably received 3.5% cumulative increase the following year. One interpretation is that these differing outcomes simply reflected swings in the financial fortunes of the plant. However, given the antipathy with which the lump sum payment was greeted in certain quarters, the 2000 outcome is similarly suggestive of a tactical re-adjustment, management being aware of the need to imbue and invest the voice process with renewed and enhanced credibility in view of the earlier debacle.

To pause and take stock, the principal axis for the analytical organisation of the summary so far has been the linking theoretically of managerial motive to discussions of the effectiveness of voice. The central contention has been that defensively inspired motive is manifestly corrosive of the voice process. It was in turn argued that the overriding desire for the maintenance or extension of prerogative unleashes a tension in that, despite management's best endeavours, employees do not necessarily accept the constraints imposed upon them in a passive manner and seek on occasion to influence the decision making process. This gives rise to the perceived need for at least minimum levels of outward effectiveness if representation is to remain in-house. The presence of this tension was seen to be given manifest expression in the ebb and flow or 'waves' of managerial interests in the representative structures, shifts in the formal terms of reference and the sometimes variable nature of purported managerial concessions. To date, while we have considered the incongruous nature of managerial and employee goals and the resultant impact upon the voice process, we have not



considered managerial outcomes – it is to this task that we now turn in the second half of the chapter.

#### **6.4 Union Avoidance and the Coherence of the NER Response**

Within the introductory chapter criticism was levelled at the restricted scope of the NER literature that has focussed predominantly on the consequences for employees. Given that such participatory structures represent *managerial* interventions it was argued that a limited evaluation of the implications for the *workforce* of this mode of representation to a degree misses the point. The emergent proposition was that such bodies could conceivably be successful from a managerial perspective, while failing to satisfy tests relating to organisational pluralism. *Prima facie* the continued non-union status of the three organisations would suggest success, at least in terms of the defensive set of goals mapped in chapter 4. A closer probing, however, indicates that while intuitively plausible, such an interpretation is problematic.

The litmus test of a strategy of union substitution is that ‘employers create an alternative mode of employee representation which employees will *prefer* to union forms of representation’ (Gollan 2001:382, emphasis added). A core theme of this chapter, however, has been taken up with demonstrating that defensive managerial intent impacts directly upon resource provision, disarming the effective functioning of such institutions. Management was not of course blind to such a contradiction and attempts were made to correct this anomaly through the process of acculturation. In all three organisations resources were deployed to suggest the

mutuality of employer and employee interests. If employees could be schooled as to the cogency of managerial action in the furtherance of essentially *common* goals (MediCo and FridgeCo), or more subtly inculcated with a unitary mindset (FinanceCo), symbolised by an integrative inclusive representative structure, issues of the operational effectiveness of a distinctly *employee* body clearly become less pressing. However, in none of the companies was this wholly successful. In point of fact, management failed to develop the strategy to its logical conclusion. In all three of the organisations the principal and most visible relationship was that of representatives vis-à-vis management; there was conversely an absence of systematic delegate-constituent interaction. Consequently, particularly at MediCo and FridgeCo where acculturation was based upon the process of education, it was difficult for this to permeate to the wider workforce. If there was a feeling amongst employees that the bodies had ‘failed to deliver’, under the logic of the managerial position this derives from the inability of representatives to provide sufficient context on key decisions. However, even directly within the representative grouping, acculturation was less than absolute, and inevitably divisive issues became topics of debate. In the final analysis, despite attempts by management to use such structures to either emphasise the integrative aspects of the employment relationship (FinanceCo) or as educational vehicles (MediCo and FridgeCo), considerations in and around the efficacy of voice emerged as the currency by which such bodies were judged by employees. The comments of Marchington *et al.* (1992:30-31) are apposite within this context:

Workforces almost inevitably interpret, evaluate and react towards managerial initiatives and change, and in their own way ‘audit’ their introduction and operation.

It is evident that, for the most part, across all three organisations any such 'audit' was predominantly framed in terms of the ability of the representative structures to influence the decision making process, returning us again to the theme of tension. The structures are positioned as tools of union avoidance; however, any strategy that seeks to eschew union presence through the creation of an alternative collective forum must ultimately face scrutiny in terms of its ability to deliver tangible employee benefits, i.e. efficiency considerations. The latter requirement demands a set of resources that management are unwilling to cede given that this might compromise the very prerogative and control it most values. This explains why the non-legitimate status of these structures is a fundamentally ambivalent outcome for management. To be sure, on the one hand the low esteem in which the bodies are held neutralises and enfeebles any potential for collective employee challenge, rendering prerogative intact. On the other hand, however, the absence of legitimate status afforded to the surrogates by employees cannot ultimately be reconciled with the logic of union evasion, the process of acculturation notwithstanding. The following comments from Greenfield and Pleasure (1993:173) warrant repetition:

When we use the term legitimacy to apply to the collective voice of a worker organization, we mean an organization of the workers' own choosing. In that sense legitimacy...implies general consent of the workers to the representative capacity of the organization carrying the collective voice.

Legitimacy is therefore both essential for effective voice and the fulcrum on which the union evasion strategy must turn. The absence of 'consent', denoted by non-legitimate status, gives rise to a representative vacuum within the three study organisations; a potentially unstable situation. Significantly within other research in this area (Broad, 1994, Gollan, 2001 and Watling and Snook 2001) similar



structures have failed to survive; the evident voids ironically being filled by the very institutions they were created to neutralise, *viz.* orthodox trade unionism.

## 6.5 Explaining Non-Union Status

The above line of analysis gives rise to a major sub-question: given the suggested incoherence of NERs as a union avoidance strategy, how might the continued non-union status of these organisations be explained? The data suggest that this is a fundamentally demand side issue, after all none of the workforces were without trade union contact. It was observed that MediCo had been the subject of a trade union recruitment drive, albeit some years previously. At FridgeCo the de-recognised union maintained a *de facto* presence on the plant via the ex-shop stewards, the local branch being particularly active in briefing against the company during the at times acrimonious introduction of shift working. Most significant, however, in this respect was the FinanceCo situation. Based on leaked data, the company viewed themselves a prime targets for the TUC's Organising Academy. Such concern was not without objective empirical support: BIFU, and latterly, UNIFI were closely tracking events within the organisation, picketing the head office both during the branch closures and the head office re-organisation.

Nevertheless, if there was, or had been, union interest in relation to these companies, in none of them was it substantially reciprocated by employees. Only at FinanceCo, where in the ballot 32% voted for trade union recognition, was there any evidence of serious union sympathies. An appropriate means of exploring muted receptiveness to trade union overtures is to draw upon the

modelling of antecedents of union joining behaviour undertaken by Kochan (1980), and modified by McLoughlin and Gourlay (1994). Drawing on this work Lloyd (2001) has explored why people join trade unions and how a non-union council could influence these factors. The wider utility of these models, however, is that if collapsed they suggest that employee behaviour is not narrowly concerned with issues of voice, shedding light upon how wider aspects of managerial strategy may condition employee responses to union representation.

Kochan's (1980) model posits two 'critical determinants' of union joining behaviour: employee dissatisfaction with economic aspects of the job ('bread and butter' issues such as wages, benefits and working conditions) and positive instrumental belief about a union's ability to have an effect upon pay and conditions. In seeking to explain non-union status in three case study organisations McLoughlin and Gourlay (1994:94) refine the model by additionally invoking the need for employees to have a negative view of the utility of the non-union voice mechanism, moving on to explore how various organisational factors and managerial strategies might serve to stifle the above 'triggers'. There are, it is sure, certain weaknesses within both the model and McLoughlin and Gourlay's subsequent analysis: social processes are overlooked and the treatment of managerial strategy is restricted to the more benign aspects of policy (e.g. HRM) at the expense of cruder tactics of suppression (see below). Nevertheless, the framework has the undeniable virtue of parsimony and consequently provides a useful point of entry at least, within which to organise the data. Given that the ineffectiveness of voice as a constant across the three organisations has been established, suggesting a *prima facie* propensity to unionise, it is upon the other

two necessary conditions for unionisation, or ‘critical determinants’, that attention is focussed.

Turning firstly to FridgeCo, here the most notable facet was the widespread level of job dissatisfaction. The dire financial position of the company had resulted in a five year wage freeze giving rise to a groundswell of disaffection amongst the vast majority of employees. There was similarly discontent expressed with regard to the treatment of temporary employees, who by the close of the research period comprised some 25% of the total production workforce. Somewhat surprisingly, notwithstanding an apparently fertile environment for trade union recruitment, non-union status was maintained relatively comfortably; a contradiction directing our attention to the second critical determinant – instrumental trade union beliefs.

Ironically much of the explanation here for the ongoing non-union status relates to the previous history of union organisation on the plant. It will be recalled that, unique amongst our case study organisations, the introduction of the FridgeCo company council followed the de-recognition of the then AEU. As noted, the subject of the earlier de-recognition was most singularly marked by indifference, not least because the erstwhile active membership were widely viewed as being ‘hand in glove’ with management. The production director’s description of a largely ineffectual and quiescent body was echoed within wider workforce accounts where there was little support for a return to the *status quo ante*. That non-union status was maintained by the management team without significant difficulties, despite deep seated dissatisfaction with the non-union voice mechanism and increasingly derisory terms and conditions, is broadly explicable in terms of the earlier employment experiences. These served to strongly augment



negative instrumental beliefs about the union as an effective means of furthering the collective interests of the workforce. Indeed, a striking facet of the FridgeCo study was the widespread belief that one non-legitimate voice channel had been superseded by another. Interestingly, the large scale exodus of employees that followed the introduction of shift working is indicative that ‘exit’ was viewed as a more attractive response than seeking to challenge management through the council format, or via support for the return of the union that maintained a *de facto* presence on the plant.

Moving on to consider the situation at MediCo and FinanceCo, here the position was quite distinct. If at FridgeCo non-union status was delivered in part by an element of fortitude, these organisations had instigated deliberate and purposeful strategies directed at quelling both employee dissatisfaction and instrumental trade union support. If we take the variable of job satisfaction first, the outstanding finding in this respect was the evident similarities between these two companies; notwithstanding the markedly different characteristics of the workforce, employees were broadly content with ‘bread and butter’ issues. It will be recalled that within both organisations there were a range of initiatives in place falling under the rubric of paternalism; commonalities included a share ownership scheme, profit share, pension provision and elements of health care open to all grades of staff. Within MediCo this practice of paternalism was driven at a corporate level directly by the US parent. Conversely at FinanceCo such a strategy is best viewed as a legacy of a similar approach widely employed within the UK finance sector prior to intensification of competition in the 1990s; automatic cost of living and incremental pay increases based on length of service, buttressed by an array of

welfare benefits being the norm (Cressey and Scott, 1992: Storey *et al.* 1998).

Within both organisations the ability to pay at the market rate allied to the associated practice of paternalism – ‘the pursuit of consent through contentment’ (Hyman, 1987:43) - was reflected in broad employee satisfaction, largely disengaging this particular trigger. We might once again remind ourselves of characteristic employee responses:

When you hear about other companies like where my brother works - they don't pay sick pay and you know stuff like that - it does make you realise that MediCo isn't a bad company to work for; and the bonuses are quite good. I think they are quite a good company. (MediCo, compounding operative)

I see it as very much a caring organisation. I have worked for a number of organisations and I have to say that this is probably the best organisation I have worked for. They [employees] are really well looked after. Being financially minded I know how good it is because I looked around and compared it. (FinanceCo, key accounts manager)

Significantly, however, within both these organisations strides had additionally been taken to de-activate any instrumental belief that unions could further advance the economic position of workers. It should be noted that a defect within McGloughlin and Gourlay's original exposition is that they fail to seriously interrogate this theme of instrumentality, or explore how issues of both employee mobilisation (see below) and managerial behaviour might serve to colour such perceptions. With regard to the latter theme, managerial strategy is treated as only impacting upon issues relating to employee satisfaction and voice. In Gregor Gall's (2003:86-96) terms these scholars focus on relatively benign policies of union ‘substitution’, at the expense of more hard nosed strategies of ‘suppression’. The case study data presented in chapters 4 and 5, however, points to a strategy on the part of management aimed at stifling the generation of positive instrumental trade



union support. Taking FinanceCo first, here the banking union (BIFU, and latterly UNIFI) had over the years closely tracked events within the organisation, with the company striving wherever possible to frustrate direct and informed dialogue between the union and its workforce. At times this had resulted in the union resorting to somewhat clandestine tactics e.g. speculative contact via facsimile. Notable in this ongoing standoff was the employee ballot into the future of representation in the company that was held in the shadow of the recognition legislation. While one of the balloting options open to employees was trade union recognition, the procedural keynote was the ongoing debarring of trade union access to company premises during the run up to the poll, depriving the union of a bridgehead from which to explain the potential benefits of external representation. The impact upon the final result remains a matter of conjecture. Nevertheless, it is plausible to suggest that the inability of the union to directly articulate the potential financial advantages of professional representation to an audience where recent changes to compensation and benefits had caused concern, was a factor in restricting union support to 32%. Indeed in the resultant confidential report the IPA cautioned that:

It is dangerous to suggest that the survey's results could be translated into a 'mock' [recognition] ballot as it was not accompanied by trade union access to the workplace that would be the case prior to a formal recognition ballot.

Less subtly at MediCo it was a commonplace for management to directly link non-union status to subsidiary viability. As mentioned, the senior managerial team very much viewed the plant's health and profitability as significantly a function of its ongoing non-union status. Set within such a context there was a mood amongst some of the workforce that management would 'close the plant down' rather than



accept trade union recognition, another fairly obvious blocking tactic directed at quashing unceremoniously any nascent instrumental trade union support. In sum, in both these organisations the hegemonic position of management was utilised in a fairly straightforward manner to initiate counter mobilisation through two standard forms (cf. Gall, 2003:81-90) of trade union suppression.

Further building upon this theme, as noted, at various junctures there are strong ideological forces operative within these organisations. The instilling of instrumental trade union beliefs into a critical mass of employees is unlikely to arise spontaneously, with mobilisation theory pointing specifically to the need for ‘opinion formers’ to invoke the ‘cognitive liberation’ (ibid:238) of employees, to a position whereby any nascent grievances are internally acknowledged. Such social processes are notably sidelined by McLoughlin and Gourlay who implicitly treat instrumental trade union beliefs as a mental state arising extemporaneously. As argued in chapter 5, there are pervasive unitary forces at work in these companies directly corrosive of leadership behaviour, and such normative control conceivably undermines the potential for the mobilisation of trade union support. This was particularly evident at FinanceCo, where there was a mood that taking the stand of a malcontent might not be conducive to career enhancement. In sum, these two studies lend support to Gall’s (ibid:82) invocation of the need to consider both employer activities that ‘provide benefits for non-union membership in order to reduce the propensity to unionize’ (substitution), and various suppression techniques. These instances similarly support Gall’s (ibid) contention that there is no ‘Chinese Wall’ operating between the two strategies and that ‘a single employer

may use both at the same moments across space and time', in effect to neutralise the triggers modelled above.

Ultimately the above evidence is instructive in cautioning that the presence of NERs directed towards the goal of union avoidance will often be situated alongside the widespread use of other practices; indeed the utilisation of an NER may not be the dominant component. Certainly at both MediCo and FinanceCo the overall approach represented an admixture of policies; a somewhat piecemeal managerial experimentation driven by forward international diffusion of HR practices, competitive pressures and the legacy of the preference of individual managerial actors. The evidence likewise is suggestive that, in terms of an explicit union avoidance policy, paternalism and more crudely, tactics of suppression, represent the more coherent strands of policy, given that these do not pre-suppose any re-alignment in organisational power dynamics. To briefly reiterate the inherent tension unleashed by the NER response; union avoidance through alternative modes of voice, nevertheless requires that voice carries some semblance of effectiveness. This presupposes an array of resources that management are loath to concede given that this might potentially engender and precipitate an unstable environment threatening the hegemonic control that management is ultimately striving for. This perforce renders NERs inherently unstable structures in situations where management lacks the resources to deactivate triggers relating to job dissatisfaction and instrumental union support. Indeed, as noted, within the wider literature the tendency is for such institutions to be ousted and superseded by trade union recognition agreements (Broad, 1994; Gollan, 2001; Watling and Snook, 2001).

## 6.6 The ‘Rival Logics’ of Managerial Action

The foregoing account has posited the notion of tension, a condition arising due to a divergence in management and employee expectations surrounding the presence of the representative structures. A second set of tensions, however, derives from within the managerial function. Across all organisations there were common pressures for flexibility and responsiveness giving rise to goals centred on trade union exclusion. Additionally, however, in two of the organisations (FinanceCo and FridgeCo) senior managerial motive was seen not to be solely industrial relations centred. The evolving nature of the labour process fed into the desire for production and service delivery benefits, delivered through the aegis of the self same bodies. In sum, management was pursuant of rival logics, relating to the maintenance of prerogative on the one hand, and the generation of employee engagement and commitment through the ‘full’ (FridgeCo) and ‘structured’ (FinanceCo) involvement of the workforce in elements of the decision making process it sought to control on the other. That the goals pursued through participatory interventions are not necessarily congruent, and may give rise to antithetical pressures, has been characterised eloquently by Ackers *et al.* (1992:277):

A participation set-up conceived in one scenario may, over time, be adjusted or revived for another. Sometimes two or more scenarios may co-exist, like multiple personalities, pulling a participation programme in potentially contradictory directions.

Thus, at FridgeCo the company council was originally positioned by the production director as a component of a total quality management culture; a means of getting ‘employees fully involved in the organisation’. As the financial crisis deepened, however, these more proactive managerial goals were clearly being frustrated, with



employees feeling broadly alienated from the important decisions affecting their working lives. Workers spoke of the process being a 'waste of time', and management 'just saying no' to employee requests. It was clear that the contradictory pressures referred to above - the desire that participation be very much subordinate to firm overall managerial prerogative - rendered consultation an increasingly marginal exercise, mediating any potential gains in engagement and co-operation realised through this channel.

The outstanding findings in this respect, however, emerged at FinanceCo. The greater discretion of the workforce dictated that the successful completion of tasks critically presupposed an engaged and co-operative workforce. In this setting the ability to release and apply intellectual effort in an effective and co-operative manner was vitally important, especially transparent at retail level where customer service advisors were responsible for generating the sales leads pivotal to future business growth and development. Accordingly managerial motivation encompassed both a defensive desire to maintain managerial control through union avoidance and, conversely, a desire to use the forum as a high involvement tool to release the talents of an educated and capable workforce.

This bold attempt by management to use the NER format both for defensive and more proactive reasons may be seen as an effort to confront 'the fundamental tension of management' (Crompton cited in Thompson, 1993:151), i.e. 'that of attaining maximum control over activities, at the same time as achieving a measure of voluntary compliance'. MacInnes (1985:107) makes the point succinctly,

[the] translation of formal managerial prerogative into real managerial control, the transformation of the letter of the employment contract into the reality of efficient production, depends on management securing the co-operation of the workforce and establishing the legitimacy of its control in their eyes.

Thus NERs may additionally be positioned as a managerial response to the need to generate employee co-operation through the ‘negotiation of legitimacy’ (ibid:108), to reinforce the authority derived from its hierarchical position. This is neatly encapsulated within the following FinanceCo documentation:

Why do we need formal structures for consultation? As stakeholders in the development and success of the organisation in which they work, employees, like others have their own interests and perspectives, and look for means to express their ‘voice’, individually or collectively. *Arguably decisions on matters of mutual concern, that have been reached after consultation with an informed workforce, have a degree of legitimacy which cannot be achieved without it.* (Preamble to *Workforce Ballot Document*, emphasis added).

Ultimately the partner’s council was positioned by senior management as a means of safeguarding key areas of managerial control and prerogative through union avoidance, while a simultaneous goal was the desire to release the intellectual efforts of employees towards business goals by involving them in the very decision making process it sought to monopolise. The yielding of the latter more benign outcome relating to co-operation, or as articulated by managers, as the need for employee ‘buy-in’, presupposes some tempering of managerial power, or at the very least a high degree of receptiveness to employee input. Given the pre-eminent desire for control, however, management were reluctant to qualify in any way their command of power and overall right to make key business decisions, manifest in a failure to cede any significant formalised power resources to the body.

Furthermore, as noted, management strove wherever possible to debar contentious

issues, as this would undermine the unitary organisational culture that it was keen to project. Ultimately, the cocktail of a body both soft on power, and dealing predominantly in a deliberately crafted agenda of largely anodyne subject matter, served to undermine interest in the institution and the generation of consent and legitimacy through this particular channel. As Cressey *et al.* (1985:170-171) have argued, based on their own study of participative structures in six organisations, two of which were non-union:

They [management] may be concerned with authority and the legitimation of their power, but that legitimation has very definite limits to how far it can go.

Cressey *et al.* (ibid:172) rationalise this reluctance on the part of management to share control on the basis that there is no guarantee about the ends that will be pursued by the other side with increased ‘freedom to manoeuvre’ – management are ultimately fearful of swapping power for productivity (ibid).

The 2001 in-house survey graphically demonstrated the failure of the PC to engage and capture the interests of employees with only 23% of employees agreeing that ‘there is effective involvement through partner’s councils’. Nevertheless, this was not of itself corrosive of service delivery, indeed as was also noted in the same chapter 82% of employees agreed with the statement that: ‘I am committed to my work’. Given that the PC was clearly not acting to generate employee co-operation or ‘buy-in’ through the legitimisation of the decision making processes how might this be accounted for? Hyman (1987:30), in addressing the contradictory nature of capitalist enterprise and the difficulty of harmonising different managerial interventions, has forcefully and famously concluded, ‘there is no “one best way”



of managing these contradictions, only different routes to partial failure'. While accepting the intellectual consistency of such an account, certain managerial strategies appear to afford a greater margin and potential for failure than others. Within the context of FinanceCo one plausible interpretation is that employee co-operation and the legitimisation of managerial authority - like non-union status - was delivered by the concomitant strategy of 'consent through contentment'; i.e. facets of paternalism, a far more internally consistent stratagem in that, to reiterate again, no re-orientation in organisational power dynamics is assumed.

In view of the above critique how are we to account for the enduring presence and resilience of these institutions and their not insignificant managerial resourcing?

Any such explanation centres on two core strands, the first drawing heavily on the above account. The thrust of this is that senior personnel perceive that there is a tangible competitive advantage in the creation and continuing presence of the above structures, but ultimately their impressions are at least partially incorrect. Such an assertion inevitably leaves the researcher open to charges of hubris; the data is nevertheless indicative that, in terms of both the explicit goal relating to issues in and around employee engagement, and similarly the implicit linkages to trade union avoidance, the three councils make a minimal contribution. This suggests that such an interpretation has validity.

However, if the bodies are ill-suited tools for the core managerial goals outlined they do plausibly serve a subsidiary function; this relates to the process of environmental scanning alluded to in chapter 4, i.e. the extracting of information from employees on various corporate matters. Thus, it was argued, for instance,

that at MediCo certain production managers used the representative group as a means of sounding out the workforce with a view to predicting the impact of various corporate decisions on such matters as absenteeism and turnover. Similarly, given that at both MediCo and FridgeCo such forums embodied the sole means of bottom up communication, they would appear to serve as a useful means by which senior managers can take the temperature of the workforce, providing some sort of context for managerial decision making and similarly allowing management to predict the downstream consequences of various initiatives.

An intelligence gathering function came through particularly strongly in the FinanceCo study. Notwithstanding the fact that the company carry out a very comprehensive annual survey, the PC was nevertheless viewed as a further means of canvassing employee opinion and obtaining feedback. While the annual survey demonstrated that the body was failing in the more ambitious goal of engaging employees, the council nevertheless represents a potential tool allowing management to capture the mood of the workforce and predict the knock on consequences of various unilaterally imposed decisions, such as branch restructuring. Of course the effectiveness of this functionality ultimately presupposes that the opinions of representative agents are authoritative, i.e. both representative in opinion and unconstrained. The FinanceCo findings were notable in this respect. Certainly senior managers viewed the body as a vehicle for extracting employee opinion in an undiluted manner, noting that messages get ‘filtered’ in the ordinary course of events. Nevertheless, as observed in chapter 5, there was a tendency for the PC itself to act as such a filter, especially at head office given the potential for patronage and subtle forms of intimidation. Consequently, in this setting, it is

reasonable to conclude that even this more modest functionality was performing at a far from optimum level

It is important to distinguish such intelligence gathering from goals in and around employee involvement and engagement, in that it ultimately implies a much lower degree of managerial receptiveness to bottom up employee input. Thus employee feedback is rarely utilised to significantly inform the decision making process, particularly with regard to matters distributional in nature, where such input is characteristically treated in a fairly passive manner by management. The exception to this, however, is that ultimately *in extremis* the monitoring procedure may give rise to a signal that all is not going according to plan; the ‘oil pressure light’ to use Quinn’s (1996:384) graphic metaphor. This was perhaps best demonstrated at FridgeCo during the introduction of shift working where the managerial team were forewarned that there had been a miscalculation on their part over the strength of feeling, with matters escalating to dangerous levels.

At a more concrete level of analysis a further increasingly important function of the institutions is that of affording a legally compliant consultative body. All the representative fora predated the consultation edicts, most notably the redundancy provisions. However, in all instances the remit of the bodies now encompasses that of satisfying the legal provisions. This extension of the terms of reference into redundancy consultation may be seen to be a shrewd move on the part of management. Firstly, the utilisation of the standing bodies avoids the transaction costs of assembling and disbanding bodies on an *ad hoc* basis. More subtly, a notable finding was the broadly quiescent posture of the representatives during



ensuing consultation periods. One interpretation is that, given the educative thrust of much council business, systematic news management, particularly in the build up to redundancy notification, allows management to inculcate into representatives the cogency of its organisational prognosis. This seemingly allows management to discharge its legislative burden to seek ways of avoiding dismissals with some impunity. Again the assembling of *ad hoc* vehicles of representation, with delegates absent the ongoing contact and systematic exposure to management's interpretation of business realities, might conceivably prove a less accommodating and receptive audience.

## **6.7 Summary and Implications**

The main message of this concluding chapter has related to themes in and around the inherent tensions unleashed by this mode of managerial intervention. In contemplating this and related issues a significant amount of ground has been covered. This closing section, therefore, provides a more narrowly focussed synopsis, summarising the implications and contribution of the thesis with regard to the principal theoretical debates surrounding non-union representation, as originally outlined in the introductory chapter.

Much of the study has been preoccupied with building upon earlier work by Broad (1994), Gollan (2001), Lloyd (2001) and Watling and Snook (2001), evaluating employee outcomes and the influence of non-union representative structures vis-à-vis management. Overall the thesis reinforces the findings of this earlier literature in emphasising that the organisational structure of authority is little altered by the

presence of NERs. A distinct point of departure, however, is that although previous accounts have provided a broad sweep of descriptive analysis, they have suffered from being atheoretical in their approach rendering generalisation or extrapolation of the findings difficult. Significantly, while the shortcomings have been predominantly articulated in terms of an absence of power, the construct has been applied in a fairly unsophisticated manner. This thesis has advanced knowledge in this area, both by exploring the theme of voice through the lens of a more thorough conceptualisation of power, and by demonstrating that the absence of significant influence is ultimately a symptom of more fundamental difficulties. To be sure, the above studies additionally touch upon wider issues appertaining to independence and credibility. However, these themes are presented as loosely defined description, rather than components of a theoretically informed overarching analysis; consequently complex synergies and inter-relationships have gone undetected. Most significantly, the debilitating implications of the managerial ownership and control of the representative process are afforded cursory treatment and the ramifications are not adequately captured. In the final analysis these represent *managerially* imposed representative structures, a factor that has critical implications for their legitimacy and autonomy, and hence effective functioning. This may seem an obvious point - indeed axiomatic. However, this theme has been subject to remarkably little scrutiny. This contrasts markedly with the American literature where the topic of company unionism or 'employer dominated' (Grenier and Hogler, 1991:316) representative fora has long been the subject of informed discussion (cf. also Greenfield and Pleasure, 1993; Jacoby, 1997). Conversely within the UK, formal conceptualisations of NERs (cf. Gollan, 2001:378) have

failed to emphasise the primacy of management as both architect and sponsor and to similarly explore the implications.

Correcting this oversight the thesis has demonstrated that ‘employer dominance’ seriously undermines the efficacy of this mode of voice. Two principal causal processes have been highlighted. Firstly, characteristically the formal terms of reference are purposefully constrained, depriving the bodies of recourse to formalised manifest power resources. More insidiously, the ideological hegemony of management, manifest in the process of acculturation, is influential in eroding the development of a latent power base. A marked deficiency within the earlier studies has been the failure of scholars to account for the apparent reluctance of employees to bring collective pressure to bear in such settings, notwithstanding the presence of a formalised infrastructure that potentially provides a collective platform from which to formulate strategy and hold management to account. The analysis contained here has indicated the important role that ‘mental resources’ play, functioning as social barriers to mobilisation, not least through the stifling of leadership behaviour. The thesis has thus moved the discussion beyond the terrain of an empiricist conception of power, delineating the subtle resources at management’s disposal. Ultimately the absence of mobilisation can only be understood within the context of wider organisational norms, understandings and assumptions, i.e. the cultural pressures that representatives labour under.

A related contribution has been the linking thematically of issues appertaining to both voice and managerial strategy. The insular focus of the aforementioned group of studies (Broad, 1994; Gollan, 2001; Lloyd, 2001; Watling and Snook 2001) on



employee outcomes, at the expense of a parallel account of managerial strategy, has ensured that this body of literature is again deficient in that it actually *explains* little in terms of the ultimate genealogy of the ineffective nature of the voice process. In chapter 4 it was argued that management was in essence pursuant of a ‘best fit’ approach to collective representation, i.e. the institutionalisation of voice in a manner complementary to wider corporate priorities. In the final analysis, however, the managerial ownership of the representative process is so corrosive of voice because of its privileging of a defensively inspired set of aims centring on matters of workplace control, over those more proactively formulated goals.

The current study has, therefore, gone beyond existing accounts in tracing the well-springs of the inefficacious nature of voice provision, plotting a clear link between defensively inspired managerial designs and the impotence of NER voice.

As such it demonstrates the need for both an empirically grounded and theoretically informed account, closely synthesising themes relating to *both* managerial goals and employee outcomes, if the dynamics of non-union voice provision are to be satisfactorily unravelled and comprehended.

Throughout the study various references have been made to the role that NERs play with regard to statutory consultation. Within the introductory chapter the dynamic legislative context was alluded to; specifically the imminent introduction of the Directive on information and consultation was afforded coverage. An outstanding area that warrants comment, therefore, concerns the implications of the study for the new provisions.

The transposition of the above Directive into UK law has been portrayed as a useful corrective to 'the failure of voluntarism' (Sisson, 2002:2), and hence implicitly as a tool for the extension of effective voice into the non-union sector. Superficially, at least, there are grounds for optimism. Certainly the legislation will be of use in regularising the information that must be provided to non-union consultative bodies, correcting the present situation where the extent of data provision is subject to managerial whim. Furthermore, the regulations will likewise serve to formalise the precise points of managerial-representative engagement; while by definition the 'scope' of employee participation is restricted to consultation, range is possibly far reaching, potentially extending into strategic matters (Sisson, 2002:14). Perhaps the most significant provision, however, is that the regulations stipulate that consultation should take place 'with a view to reaching an agreement' in the case of 'decisions likely to lead to substantial change in work organisation or contractual relations' (ibid:10). As Sisson (ibid) observes: 'the clear implication is that management will not just ask for the views of employee representatives and take them into account, but also seek to reach agreement' - a definition of consultation bordering on negotiation. Furthermore, the Directive affords that sanctions for non-compliance be 'effective, proportionate and dissuasive' (Sisson, 2002:4). It could be speculated, therefore, that the potentially punitive nature of the Directive might serve to afford non-union representatives with a legally derived latent power base to back up their rights under the new provisions.

The evidence presented within this thesis, however, particularly the unitary and ethnocentric managerial style exhibited, suggests that it would be grossly naïve to

assume that non-union employers will be willing to cede their traditional prerogative to decide the future strategic direction of their businesses, or their right to unilaterally determine key issues. As Lewin and Mitchell (cited in Greenfield and Pleasure, 1993:192) have cautioned ‘it is one thing to mandate voice...but quite another thing to mandate *effective* voice’ (emphasis in original). Hyman (1996: 81) is certainly correct in asserting that the utility of such structures must depend partly on the efficacy of the mechanisms of enforcement. However, the case study data is suggestive that the dominance and ideological hegemony of management, serving to routinely privilege managerial interpretations of given situations, is likely to present a more formidable difficulty. To be sure, the regulations will invoke a formal element of ‘institutional distance’, given that the terms of reference and various procedural matters will have external legal backing and authority. However, set within an often pervasive unitary organisational culture, the lack of an ideological counterweight of the sort traditionally afforded by an independent trade union may crucially undermine the effectiveness of the consultation process, rendering the managerial position again devoid of independent scrutiny.

Ultimately, the evidence presented within the thesis lends credence to Kelly’s (1996:60) pessimistic assertion that ‘[legally mandated] works councils are likely to prove ineffective at best, and *ideologically* disarming at worst’ (emphasis added).

Finally we need to consider the implications of the above analyses vis-à-vis the original intellectual starting point for the study - the ‘representation gap’. How are we to best understand the ramifications of the thesis within the context of this debate? Superficially the conclusions might seem self evident. Given that currently



these structures exist under the sufferance and bidding of management they cannot approximate voice as afforded by traditional trade union structures. This would suggest that they must be viewed as at best a palliative, contributing to, rather than ameliorating any representative lacuna. Based on the findings, it is difficult similarly to offer an optimistic prognosis for the nascent statutory model of workforce consultation. We should remain cautious, however, in the inferences that are drawn; ultimately an awareness of the complexity and reality of non-union employment relations is necessary if we are to avoid drawing overly pessimistic conclusions.

American commentators refer to the phenomenon of the representation gap as the difference between the rights that employees *want* and the rights they actually *have* (cf. Freeman and Rogers, 1993; Weiler, 1993). This is a useful reminder that when considering this theme it is necessary to evaluate both the *demand* and supply side of the equation, rather than simply positing an *a priori* demand for rigorous representative channels. It is notable that within a UK context the focus has predominantly been upon supply side issues, i.e. the topic of trade union decline, allied to an exploration of alternatives or complements to traditional collective bargaining (cf. for example, Towers, 1997). When expressed in *both* demand and supply side terms, however, accurate measurement of a putative representation gap becomes somewhat problematic. It is clearly empirically unsound to make judgements regarding the extent of untapped demand for collective representation simply on the basis of quantitative data sets relating to various indices of trade unionism and collective bargaining coverage. The corollary to a parallel focus on demand side issues is that the magnitude of any representation gap will be

differentially shaped by aspects of organisational employee relations policy and practice *beyond* narrow issues appertaining to voice.

As has been argued within this chapter, the use of NERs as a means of union avoidance is often located within a wider portfolio of complementary policies. For certain, this may involve suppression tactics. However, other facets may not necessarily be inexpedient to the welfare of employees. Indeed, where resources allow, the strategy may entail sufficient benefits to make non-union employees unresponsive or indifferent to the theme of voice. The findings presented here suggest that there is plausibly a significant non-union hinterland where the representation gap is not the daily experience of employees, although they may well lack recourse to effective voice. This reinforces the observations made by Findlay (1992:88-89) that in certain settings the demands for rigorous representative channels may be less than pressing. Given that Findlay's work focussed exclusively on managerial perceptions the importance of such confirmation should not be underestimated. To the extent that the findings here replicate the assessment of this less rigorous methodology, Findlay's arguments can be more firmly grounded. Likewise, as identified earlier in the chapter, even in settings where there is an absence of effective representation, management does not function in a corporate vacuum: there is an 'ebb and flow' in social relations. In point of fact, if management is pragmatically vigilant in its wish to remain union free, arms length accommodation and managerial restraint is a logical outcome of the *de facto* trading of rigorous voice for wage and non-wage benefits.

None of this is to gainsay that there is an ‘ugly’ or ‘bad’ face of non-unionism (Guest and Hoque, 1994), where the absence of an effective representative agent has serious repercussions. It is simply to argue that the whole debate in and around the representation gap needs to be re-positioned to a terrain encompassing a far more qualitative research agenda, one capable of appreciating the complexity of the employment relationship within the non-union sector. Although there is now a sizeable literature on firms that represent exemplars of ‘soft’ HRM, less is known about organisations that eschew the heavy costs in managerial time of an atomisation of the employment relationship, but nevertheless engage in ‘the anticipation of conflict’ (Follert, cited in Jacoby, 1997:25) through the payment of wages at the market rate or better, allied to other non-wage benefits. It is noteworthy that this cohort of workers has been largely invisible to industrial relations scholars. Within this context the thesis has demonstrated that, while NERs represent fatally tarnished modes of voice, the implications for employees, and thus the magnitude of the representation gap, will ultimately be differentially shaped by a wider array of organisationally specific contingencies.



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## **APPENDIX 1: LIST OF INTERVIEWEES**

### **Medico (30 in Total)**

#### Management

Plant Manager

Human Resources Director \*

Manufacturing Accounts Manager/Plant Accountant

Engineering and Development Manager

Viaflex Production Manager

Bottling Production Manager

LVC Production Manager

Engineering and Development Manager

Personnel Manager \*\*

Training Manager

#### Supervisory Staff

Production Supervisors x 3

#### Representatives

Current ECC Representatives x 6

Ex-Representatives x 6

European Works Council Representative x 1

### **FinanceCo (35 in Total)**

#### Management

Head of Group HR \*

Head of HR Shared Services

HR Manager Shared Services

Training Manager Shared Services

Head of Internal Communications

Head of Borrower Services

Head of Organisational Development Consumer Division

Head of Compliance/ Company Secretary

Head of Eastern Retail

#### Supervisory Staff

Team leaders Finance Department x 2

Retail Customer Service Managers x 2

#### Representatives

Full Time Representative

Current Professional Services Council Representatives x 10

Ex-Representatives x 3

Current Western Retail Representatives x 6

Ex-Representatives x 2

(Continued overleaf..)

**FridgeCo (20 in Total)**

Management

Personnel Manager \*  
Training Manager  
Production Director \*\*  
Plant Engineering Manager  
Production Engineering Manager  
Production Control Manager

Supervisory Staff

Cell Leaders x 2

Representatives

Current Company Council Representatives x 10  
Ex-Representatives x 2

- \* Denotes two interviews
- \*\* Denotes three interviews



## **APPENDIX 2: MEETINGS ATTENDED**

### **MediCo**

Employee Consultative Committee, Plant Level Meeting, Tuesday May 15<sup>th</sup>, 2001  
Employee Consultative Committee, Plant Level Meeting, Tuesday August 21<sup>st</sup>, 2001

Employee Consultative Committee, Fluids and Support Departmental Meeting, Thursday July 12<sup>th</sup>, 2001  
Employee Consultative Committee, Fluids and Support Departmental Meeting, Thursday September 6<sup>th</sup>, 2001

### **FinanceCo**

Partners' Council Consumer Western, Tuesday January 15<sup>th</sup>, 2002  
Partners' Council Consumer Western, Tuesday February 5<sup>th</sup>, 2002

Partners' Council Professional Services, Wednesday November 7<sup>th</sup>, 2001  
Partners' Council Professional Services, Wednesday December 5<sup>th</sup>, 2001

### **FridgeCo**

Company Council, Thursday 28<sup>th</sup> September, 2000  
Company Council, Thursday February 7<sup>th</sup>, 2002  
Company Council, Thursday March 7<sup>th</sup>, 2002



### APPENDIX 3: MEDICO QUESTIONNAIRE

In total 227 survey sheets were distributed with 68 returned, representing a crude response rate of 29.95%. The scale used was a five point Likert scale (1= strongly agree, 5 = strongly disagree); percentage agreement is defined as the aggregated responses for 1 and 2 only.

<i>Statement</i>	<i>% Agreement</i>
1. My EEC rep actively consults with me before attending Committee meetings	29
2. The existing ECC system achieves wins for employees	16
3. Overall I am happy with the performance of my ECC rep	30
4. Wherever possible I always vote at ECC elections	40
5. The existing ECC system fails to protect employee interests	49
6. The ECC fails to consult effectively on behalf of employees	42
7. I am confident that my rep has the ability to help me with personal work related problems	36
8. I am happy that my rep has the appropriate skill and experience to consult effectively with management in areas such as pay and conditions	33
9. My representative always acts in the best interest of employees regardless of the managerial stance on issues	34
10. The ECC receives satisfactory support from the supervisory staff	18
11. The ECC serves to indirectly involve all plant grade employees in the important decisions affecting them	28
12. Management are committed to the consultative process	23

(Continued overleaf...)



<i>Statement</i>	<i>% Agreement</i>
13. The ECC has insufficient power to seriously influence the way decisions are made at Medico, such as those relating to terms and conditions	58
14. The balance of power between management and employee representatives on the existing ECC is too heavily in favour of management	76
15. The Company always follow agreements reached at ECC gatherings	24
16. Management genuinely take into account the deliberations of the ECC when reaching final decisions on matters concerning employees	21
17. I have no idea who my ECC rep is	16
18. I care very much who is elected as my representative	62



**APPENDIX 4: FINANCECO BALLOT DOCUMENT**

Employee Representation at FinanceCo. Tick only one of the three questions.

Would You Prefer FinanceCo to:

Option	Tick
Continue with employee representation through the existing Partners' Council, elected by all employees?	
Recognise a Trade Union and consult and negotiate with representatives elected by Trade Union members?	
Broaden the remit of the Partners' Council to include a role in consultation on issues such as pay, but not recognise a Trade Union	

**Please add any comments you wish to make....**