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ORGANISATIONAL CLOSURE:
A POLITICAL PERSPECTIVE

by

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ABSTRACT

This thesis examines the question of organisational closure. Britain with its economic problems has, over recent years, seen an unprecedented number of factory closures as firms have collapsed or rationalised manufacturing operations in attempts to maintain profitability. Attempts to control inflation have led successive governments to reduce expenditure. Consequently, nationalised industries, local government, the civil service, and education, health and social services have also had to face reductions in manning and other facilities.

This research addresses a very real empirical problem which faces contemporary Britain. It focuses on the response to closure. Closure, undoubtedly, represents a traumatic experience for those involved. Despite this, it would appear that many closures go ahead quietly and, from a managerial viewpoint, successfully. In contrast, however, a few closures have provoked well-publicised resistance campaigns. In an attempt to explain why these responses should arise, the research has focused on the management of closure and the power relations of the groups involved. Closure represents an arena in which power and politics are brought into play. Two aspects of power have been found to be significant. Overt power is used when parties are engaged in open conflict. Unobtrusive power, on the other hand, is used more subtly to legitimise actions so that opposition does not arise. In the case of closure, groups have been found to use devices to legitimise and justify closure, thereby gaining acceptance of it or, in the case of opposition, "delegitimise" it in an attempt to prevent it.

The methodology has been qualitative. It is argued that, by collecting unstructured in-depth data from different examples of closure and comparing them, the nuances and subtleties of unobtrusive power have been brought to light and the limited knowledge of closure greatly extended.

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ABBREVIATIONS

AA:	Area Administrator
AHA:	Area Health Authority
AMT:	Area Management Team
APEX:	Association of Professional, Executive, Clerical and Computer Staff
ASTMS:	Association of Scientific, Technical and Managerial Staff
ATO:	Area Team of Officers
AUEW:	Amalgamated Union of Engineering Workers
AWM	Assistant Works Manager
BL:	British Leyland
BSC:	British Steel Corporation
CHC:	Community Health Council
COHSE:	Confederation of Health Service Employees
CPSA:	Civil and Public Servants Association
CSCA:	Civil Service Clerical Association
DA:	District Administrator
DGH:	District General Hospital
DHSS:	Department of Health and Social Security
DMT:	District Management Team
DoE	Department of Employment
EETPU:	Electrical, Electronic, Telecommunications and Plumbing Union
GP:	General Practitioner
HCSA:	Hospital Consultants and Specialists Association
HVA:	Health Visitors Association

ICI: Imperial Chemical Industries

ISTC: Iron and Steel Trades Confederation

IVC: Institute of Workers' Control

JUCC: Joint Union Coordinating Committee

LIFO: Last In First Out

MP: Member of Parliament

NALCO: National Association of Local Government Officers

NHS: National Health Service

NUGMU: National Union of General and Municipal Workers

NUPE: National Union of Public Employees

NUT: National Union of Teachers

RAWP: Resource Allocation Working Party

RCCS: Revenue Consequences of Capital Schemes

RSQ: Redeployment Steering Group

SDN: Scottish Daily News

STUC: Scottish Trades Union Congress

TASS: Technical, Administrative and Supervisory Section
of the AUEW

TGWU: Transport and General Workers Union

TUC: Trades Union Congress

UCATT: Union of Construction, Allied Trades and Technicians

UCS: Upper Clyde Shipbuilders

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GLOSSARY OF TERMS

- Occupation: a situation where employees occupy a factory or hospital (or offices in the unit) to prevent a closure or some other managerial decision. Also known as sit-ins - where employees physically occupy the unit in question - and work-ins - where employees continue to work as well as occupy.
- Payment-in-lieu of Notice: Employers are obliged to give employees 3 months notice of impending redundancy (if more than 100 are involved). Employers may make compensatory payments if they are unable or unwilling to give notice.
- Rationalisation: here the term has been used to refer to reductions in the number of sites where products are made or services provided. The manufacture of these products and the provision of these services are subsequently concentrated on a smaller number of sites.
- Redeployment: refers to the situation where a worker who is theoretically redundant ie whose job has ceased to exist, is given another job. Usually it refers to new jobs inside the company, and for which the company is responsible.
- Redundancy: a worker is made redundant when his job ceases to exist. This may be the result of closure and reductions in production/services but it can also be the result of technological changes which reduce manning requirements.
- Redundancy Compensation: An employer is obliged to compensate workers with more than two years service for their lost jobs. The state requires $\frac{1}{2}$ weeks pay per year of service for employees aged 18-21, 1 weeks pay per year of service for employees aged 22-40 and $1\frac{1}{2}$ weeks pay per year of service for employees aged 41-65, up to a maximum of 20 years service. Approximately half this is reimbursed by the state. Payments above this amount do not receive any additional reimbursement.

Severance Terms: the actual amount of money a redundant employee receives when he leaves his employment. It will include redundancy compensation and payment-in-lieu of notice if applicable.

Worker Co-operative: an employee-owned and managed concern usually made possible with government funding. Five such co-operatives received widespread coverage in the early seventies: Upper Clyde Shipbuilders - which resulted from an occupation of shipyards near Glasgow in 1971; Fakenham - established by women shoe workers in Norfolk; Kirkby - two occupations and attempts at establishing a co-operative at a Thorn Lighting factory in Liverpool; Meriden - established at the Norton-Villiers-Triumph factory near Coventry; Scottish Daily News - a newspaper co-operative in Glasgow.

BRITISH ENTERPRISES

British Steel Corporation: nationalised steel industry.

British Leyland: nationalised car firm.

Cadbury Schweppes: multi-product soft drinks/confectionary manufacturer.

Courtaulds: British textile firm.

Imperial Chemical Industries: chemical manufacturer.

Morning Star: newspaper of the British Communist Party.

Chapter One

INTRODUCTION

Anyone who is familiar with the industrial scene in Britain will be well aware of the term "closure" and what it signifies. The economic problems, which have confronted this country in recent years, have led to more and more people losing their jobs as firms have closed down and factories have shut. Unemployment has risen almost continuously during the seventies. Insolvencies increased nearly three-fold between 1973 and 1980. Large companies like Chrysler, Singer, Courtaulds and ICI (Imperial Chemical Industries) have closed down manufacturing sites. The British Steel Corporation (BSC) shed more than 130,000 jobs in the ten years from 1968. More than 17 steelworks have closed since 1974. British Leyland (BL) shed 12,000 jobs in 1978 alone. In the public sector, government policies involving massive expenditure cuts have led to redundancies. In the health service, hospital closures have become relatively commonplace. Closure and redundancy have become common and frequent events in contemporary Britain. Yet, despite their importance, academic interest has been relatively limited and there are, as a result, significant gaps in the literature.

The Causes of Closure

This area has been examined, usually in terms of a particular firm or industry such as, for example, the steel industry (Jones, 1974; Bryer et al, forthcoming) and Upper Clyde Shipbuilders (UCS) (Paulden & Hawkins, 1969; Alexander & Jenkins, 1970). More general models of collapse and closure have been developed by Boswell (1973), Argenti (1976), Miller (1977) and Altman (1971). Hall (1976) has considered the demise of the Saturday Evening Post from a systems perspective.

Another approach to organisational success and failure has been to link it to environmental difficulties (for example, Burns & Stalker, 1961; Emery & Trist, 1965; Terreberry, 1968; Lawrence & Lorsch, 1969; Galbraith, 1973; Ansoff, 1975, 1978). These authors argue that organisations may fail as a result of their inability to respond to environmental pressures and uncertainties which require more sophisticated and flexible measures.

Closure Decision-Making

This is a neglected area - there is virtually nothing documenting the processes which result in a decision to close a firm, factory, school or hospital except, perhaps, for Nees's research into divestment decision-making (1978-9). Literature does exist in related fields. There is, for example, crisis

decision-making (Herman, 1964, 1972; Fink, 1971; Ansoff, 1975, 1978; Starbuck, 1978). This describes how decision-making is often adversely affected by crisis conditions.

There may be something to be learnt from related literature but closure decision-making has not been analysed in the same way as, for example, investment decision-making has by Aharoni (1966), Ackerman (1968), Carter (1969) and King (1976).

There is in America a relatively new field of literature under the heading of the management of decline which encompasses the causes of and responses to decline. Whetton (1979 a, b) has attempted to draw this rather diverse body of literature together. He argues that there are two main approaches: the cross-sectional analysis of populations of organisations, showing which survive and which die; and the study of individual organisations, examining how the process of decline manifests itself. The dominant perspective in the former approach is that of the natural selection/population ecology model (see Aldrich & Pfeffer, 1976; Aldrich, 1979). This type of research attempts to identify the characteristics of failing organisations as opposed to surviving ones. The second area is more concerned with processes within organisations as they face decline. Common perspectives here are the resource-dependency models (for example, see Yuchtman & Seashore, 1967; Pfeffer & Salancik, 1978) and the political-economy models

(see Benson, 1975; Warmley & Zald, 1973) in which managers are assumed to take actions to maintain adequate supplies of political legitimacy and economic resources in efforts to assure the continuance of their organisation.

This field of literature is slowly accumulating enough case-study material to identify the sources of decline, the responses to it, and the effects of decline on other organisational activities. This is a body of research which may prove fruitful in the future. However, as Whetton points out:

"the literature related to organisational decline is very broad and diverse. Unfortunately, very little of this material reports empirical research. Instead the literature is dominated by case-study descriptions of declining organisations, armchair analyses of the causes of decline based on reviews of published case-studies, and prescriptive guidelines for preventing or coping with decline"
Whetton (1979a) p 347.

This is an area which is only just beginning to gather momentum. So far, studies have only been able to draw attention to the fact that decline is becoming a more common phenomenon and that management should be geared up to the dynamics of decline in the same way as it is to growth. The reliance on single descriptive case-studies, however, (see Boulding, 1975; Freeman & Hannon, 1975; Behn, 1976, 1977, 1978; Cyert, 1978; Glassberg, 1978) has done little to provide a comprehensive theoretical framework. This appears to be also true of

research into the causes of closure - there is either not enough research or it is of the wrong kind to build up a theoretical approach.

Redundancy and Closure

There are also problems with research into the implementation of closure decisions and the subsequent after-effects.

Redundancy is one aspect of this which has been the subject of a great deal of investigation. See Wood (1980) and Wood & Dey (unpublished) for comprehensive reviews of the redundancy literature. Research has concentrated on a number of different issues, for example, some writers have chosen to identify the practices used to select those being made redundant (see Acton Society Trust, 1958; Smith, 1966). There are tips for managers on how to handle redundancy (see Pocock, 1972; Gill, 1975). By far the most comprehensive coverage, however, has been given to the plight of the redundant employee (Acton Society Trust, 1959; Wedderburn, 1964, 1965; Kahn, 1964; Barrat Brown, 1967; Sams & Simson, 1968; Department of Employment, 1970; Mackay, 1971; Mackay & Reid, 1972; Daniel, 1972). The Redundancy Payments Act has also been the focus of research (Parker, 1971; Daniel, 1971). There has been research into how redundancy has been or should be fought (Newens, 1969; Bailey; Clarke, 1979). Wood (1980a, b) and Wood & Dey (unpublished) have examined the acceptance and

resistance of redundancy in a series of case-studies.

The vast majority of the studies on redundancy has been in the form of single case-studies and this has made it difficult to draw comparisons and build on theoretical concepts. This is also true of much of the literature specifically concerned with closure. Many worker co-operatives have been studied in this way, such as Upper Clyde Chipbuilders (UCS). (See Buchan, 1972; Thompson & Hart, 1972; Trade Union Register, 1973; Johns, 1973; Eaton et al), Fakenham (Hardman, 1975), Scottish Daily News (SDN) (Bradbury, 1978), and Kirkby (Clarke). Coates (1976) has edited a series of articles on worker co-operatives including Meriden and the Scottish Daily News. Hemmingway & Keyser (1975) and Greenwood (1977) have provided some comparative analysis on factory occupations.

There have been some case-studies of concerns which have closed. Most notable of these are, perhaps, those by Fox (1965), Loasby (1973), Martin & Fryer (1973) and Beynon (1973). Others include those by Cooke (1964), Eldridge (1968), Peers (1974) Sully (1974), Birmingham Community Development Project (1977) and Benwall Community Project (1980). All these represent single case-study descriptions of a particular closure. Rainnie & Stirling (1981) have edited a series of such cases of closure. In the NHS, hospital closures have been virtually ignored apart from a case-study in the Royal

Commission on the NHS (1978) and pamphlets produced by the occupation committees of some of the threatened hospitals.

The criticisms directed at the literature discussed earlier in this section are much the same here: there is not enough empirical, comparative, analytical research. There are also two significant gaps where little research, of any kind or calibre, has been undertaken: in the processes leading to closure decisions; and in the implementation of those decisions. The former has proved to be outside the terms of reference of this study, although I have mentioned it because I feel it is an issue which warrants more attention. The implementation of closure and its effects, however, form the basis of this research.

As has already been indicated, previous research has been largely confined to descriptive case-studies. Furthermore, these studies have often ignored the process whereby closure (and redundancy) is implemented - ie the management of closure.

"In economics, the management of redundancy is accorded little or no significance since it is irrelevant to the fact of its occurrence. In the sociological writings which assume redundancy is a major radicalising event again this process is treated of little significance" Wood (1980)
p 6 21.

This shortcoming has been compounded by the fact that previous research has tended to focus on the interesting but "abnormal"

examples such as the worker co-operatives. Consequently, there is no theoretical apparatus to explain the wide variety of responses which actually occur. As Wood & Dey point out:

"recent events in Britain underline the complexity and diversity of workers' reactions" Wood & Dey (unpublished)
p 7.

There have, for example, been cases of successful worker resistance as illustrated by the worker co-operatives. Other attempts have failed, as did the Mecanno occupation. Other campaigns have used lobbying, strike threats, demonstrations and marches, rather than an occupation, as the basis of their tactics. The vast majority of closures and redundancies, however, are quietly accepted, receiving little attention from the media.

The Management of Closure

It would seem feasible to suggest that the reactions of employees (and other groups) may be related to the way in which the closure is handled or managed. As Wood (1980) has suggested, it is possible to manage redundancies without antagonising employer-worker relations. The analysis of this issue requires a new approach focusing on the implementation of the closure. As Seglow (1971), Wood (1980) and Wood & Dey (unpublished) point out, conventional analysis does little to explain why these different responses should arise.

This piece of research marks an attempt to fill some of the gaps mentioned above. It provides a comprehensive analysis of four proposed closures - two industrial and two hospital closures. It focuses on the attempts to implement those closures in a bid to throw some light on how closures are managed and what effect this has on the response of the employees. This in turn should help to answer such questions as: why acceptance of such a traumatic event should occur; what leads to resistance; how does it arise; and what makes it successful.

The outline of the remainder of the book is as follows.

Chapter two emphasises the importance of looking beyond the organisation in explaining behaviour, and emphasises some of the theories which have led to and called for this link between organisation and environment. Chapter three outlines the political perspective which forms the basis of this analysis. Chapter four relates the theoretical framework proposed in the previous chapters to the substantive area of closure. Chapter five describes the methodology used in the study. Chapters six to nine consist of descriptions of the four case-studies. Chapter ten focuses on the impact of the environment, particularly on how economic factors in recent years have changed attitudes to closure in both industrial and health sectors. Chapter eleven provides an analysis of three examples of managerial success in implementing closure without resistance

in terms of the theoretical framework espoused in chapter three. Chapter twelve looks at a case of managerial failure in implementing closure. Finally, chapter thirteen concludes with a summary of the findings of this research.

Chapter Two

ORGANISATION AND ENVIRONMENT

This research is aimed at explaining why different responses to announcements should arise, and why some closure decisions are implemented without opposition, whereas others are confronted with resistance. The problem is where should one look for explanation?

Inside or Outside the Organisation?

There has, in the past, been a tendency to explain organisational outcomes solely in terms of factors within the organisation itself

"social science research on organisations has been concerned principally with intra-organisational phenomena with relatively few exceptions, social scientists engaged in organisational research have not taken the organisation in its environment as a unit of observation and analysis" Evan (1966) p 175

A perspective such as this is incomplete because it ignores the fact that the internal workings of an organisation are as much a product of external forces as factors inside that organisation. See, for example, Dill (1958), Stinchcome (1965) and, more recently, Pfeffer & Salancik (1978), Aldrich (1979).

There have been some attempts to incorporate the influence of

the environment into organisational analysis. Systems theorists, notably Parsons, also see Katz & Kahn (1966) have emphasised the importance of inter-locking and open systems in which the organisation interacts with the environment. This idea has been expanded on by such writers as Burns & Stalker (1961), Emery & Trist (1965), Lawrence & Lorsch (1967) and Terreberry (1968). These writers assert that turbulence and uncertainty in the environment places additional demands on the organisation, which must respond, even if it requires adjusting and modifying internal structures, otherwise it will fail.

Such work has, however, been criticised because of the functionalist and determinist nature of the relationship between organisation and environment. Changes in the environment are seen as automatically triggering off organisational adaptation but, as Silverman points out, organisations do not adapt, people do (1970). Different people may have different perceptions of both the environment and of the necessary adaptations and so, an element of indeterminism creeps in (see Child, 1972). The relationship between organisation and environment thus becomes more complex and tenuous.

A further criticism of organisational analysis has been that the recognition of the impact of the environment has been limited to a small number of studies. Pfeffer & Salancik (1978) complain that

"in recent years, it has become fashionable for those writing about management and organisation to acknowledge the importance of the environment, particularly in the first chapter or in a special section of the book. Except for some special terminology, however, the implications of the organisation's context remain undeveloped" Pfeffer & Salancik (1978)
p 6

So we are left with either a human relations type of approach which treats organisations as if

"they were self-centred entities operating in a socio-economic vacuum" Child (1969) p 11

or the structural functional orientation

"in which the environment (when it is considered) is seen simply as a means to the organisation's operation and survival, or at most a limiting factor" Child (1969)
p 11

Marxist writers have criticised organisational analysis for its handling of extra-organisational factors. They argue that the founding fathers of sociology, industrial sociology and organisational analysis, Marx, Durkheim, and Weber looked to the dialectic between types of work experience, organisation, and economic structure, societal stability and change (Esland et al, 1975). However recent organisational theorists have failed to follow their example (Esland et al, 1975; Benson, 1977 (a) (b); Salaman, 1979, 1980; Hyman, forthcoming).

"The analysis of organisational events rarely looks beyond the organisation to the society outside, and the reliance on such concepts as organisational structure, organisational roles, and rules, organisa-

tional cultures, cliques and groups, inevitably predispose a loss of interest in extra-organisational determinants of activity and a lack of concern for the relationship between the organisation and society" Esland et al, (1975) p 26.

These writers advocate the location of the organisation within the wider society.

The Marxists, however, have their own problems between the determinists and non-determinists. The former, such as Althusser and Bukharin, assume that actions and historical events are determined fundamentally by the social formations in which they are located, rejecting the notion of creative free will (see Burrell & Morgan, 1979). Other Marxist writers, such as Salaman (1979, 1980) attribute rather less weight to the ownership of the means of production, acknowledging that variations occur between and within capitalist societies, regions and plants.

The overall result is a lack of consensus among both Marxist and non-Marxist perspectives regarding the extent and nature of environmental influences on organisational life.

"From such perspectives derive varying conceptions of the business enterprise itself - (i) as a functionally integrated and normally harmonious system which is directed towards the attainment of a set of goals that all its members hold in common; (ii) as a somewhat uneasy coalition of economic convenience in which the pursuit of conflicting sectional interests is balanced against the mutual benefits of co-operation; or (iii) as a potentially

unstable arrangement whereby the property-less and oppressed many are exploited for the private gain of a privileged controlling elite" Child (1969) p 12.

This confusion and disagreement makes it difficult to see how societal and intra-organisational processes are interrelated.

Hyman (forthcoming) asks

"is it possible to grasp theoretically the relationships between control and resistance; between the deliberate strategies of the powerful and the impersonal constraints of economic forces; between subjective experiences and group relations and patterns of structural determinism?" p 21.

This research is intended to make some progress towards answering that question - to illustrate how environmental and organisational factors interact. The aim is to provide a theoretical framework for this relationship in general terms, which will then be applied to the specific area of organisational closure. The construction of this framework requires, first of all, a glance back over the previous research on organisation and environment.

Structure: Organisation or Environment?

One organisational outcome which has been relatively well researched in terms of both intra- and extra-organisational factors is structure.

Some writers have linked structure to environmental uncertainty. Burns & Stalker (1961) argue that an uncertain environment

requires an organic structure which is more flexible and less clearly defined than a mechanistic structure. The latter is suitable in times of stability but the former is necessary when rapid adjustments have to be made in response to a changing environment. Lawrence & Lorsch (1967) demonstrate that environmental uncertainty requires more differentiation in an organisation, as specialised units deal with particular tasks and problems. This, however, requires integration as the diffuse units are brought together to pursue organisational goals. Structures must be geared up to provide both differentiation and integration if organisations are to survive and succeed in the face of environmental uncertainty.

Others have looked to internal variables to explain structure. Woodward (1965) has argued that the type of technology determines the structure of successful firms. Perrow (1970) maintains that organisations can be classified on the basis of the nature of their technology. Pugh et al (1969) have contested the role of technology in determining structure, arguing that size is the most important factor.

All these studies are deterministic in that a situational or contextual variable such as environment, technology, size, automatically determines structure because organisations strive for success

"if organisational structure is not adapted to its context, then opportunities are lost,

costs rise, and the maintenance of the organisation is threatened" Child (1972)
p 8.

Child (1972) has criticised this approach arguing that an element of choice exists in deciding on the nature of structure. This leeway exists for a number of reasons. Decision-makers have to perceive and interpret the environment. This process of "enactment" is open to individual differences in the recognition of and meaning assigned to environmental factors and events (see Duncan, 1972). Organisational members may be in a position to manipulate their environment, rather than being forced to change structure. Decision-makers may have some choice in defining exactly what constitutes a satisfactory performance. They may also have a degree of freedom in designing and choosing both technology and structure. Consequently, there is not a direct relationship between the organisational and environmental context and structure. The context may set outer limits on the structural form of the organisation but, within these, some degree of choice exists for decision-makers.

Child (1972) conceives of organisations as containing a variety of sectional interest groups. The dominant coalition of these - the power-holders or decision-makers - are then able to utilise the leeway provided by the degree of strategic choice in making their decisions to further their interests. In other words, they use the available degree of freedom to enact

environments, measure success and design structure in such a way that protects and furthers their power positions.

What are the implications of Child's notion of strategic choice?

He argues that it

"provides a useful antidote to the sociologically unsatisfactory notion that a given organisational structure can be understood in relation to the functional imperative of 'system needs' which somehow transcend the objectives of any group of organisational members. In this way the analytical contribution of a functional interpretation is supplemented by a political interpretation which does not regard such constraints as necessarily acute or immutable and which highlights the role of choice. In shifting attention towards the choice, we are able to account for organisational variation directly through reference to its sources, rather than indirectly through reference to its supposed consequences" Child (1972) p 14.

In other words we must view structure as a product

"of a set of interacting constraints both internal and external, which are subject to varying degrees of direct control by organisational members" Kimberley (1975) p 1.

In this way structure is the result of both political processes and the characteristics of the organisation and the environment as

"economic and administrative exigencies are weighed by the actors concerned against the opportunities to operate a structure of their own and/or other organisational members' preferences" Child (1972) p 16.

Structure is a political element not only because it is an outcome of power but also because it is a mechanism by which

power is created, protected, maintained and utilised to produce outcomes and allocations of resources which serve the interests of the power-holders.

Much of the literature on organisations is phrased in terms of organisational goals, organisational success and effectiveness but, as has already been mentioned, organisations do not have goals, people do. The phrase "organisational goals" usually refers to the goals of the power-holders, senior managers, decision-makers, dominant coalition. Other members, however, may have totally different goals. Even within senior management there may be significant differences of interest. Under these circumstances it is

"more fruitful to analyse organisations in terms of the different ends of their members and of their capacity to impose these ends on others - it suggests an analysis in terms of power and authority" Silverman (1970) p 39.

Also see Child (1972) and Pettigrew (1973).

A political perspective views organisations as comprising of different interest groups, each seeking to utilise power sources to protect and promote their own interests. Organisations thus become tools which are used by some groups to control others to achieve their ends.

"Organisations must be seen as tools a tool is something you can get something with. It is a resource if you control it. It gives you power others do not have. Organisations are multi-purpose tools for shaping the world as one wishes it to be shaped" Perrow (1972) p 14.

The structure of an organisation is one means by which senior members are able to exert control over others

"thus the structural framework is not some abstract chart but one of the crucial instruments by which some groups perpetuate their power and control in organisations: groups struggle to constitute structures in order that they may become constituting"
Ranson et al (1980) p 8.

Structures embody certain assumptions, values, practices which are taken for granted by organisational members and which serve to ensure that certain behaviours and actions are carried out without question (Ranson et al, 1980). Furthermore, structure can be used to control behaviour indirectly, through bureaucratisation which relies on procedures to limit discretion, or directly, by using centralisation to limit decision-making to the higher echelons (Child, 1973).

Through such methods as these, behaviour throughout the organisation is directed towards serving the interests of senior members by a structure which, although presented as neutral, inevitable and functional, is inherently political (Salaman, 1979). The powerful have a vested interest in shaping the mechanism which provides them with power. Thus

"the organisational structures within which individuals both contribute to organisational performance and pursue sectional interests are in part the outcome of their own initiatives"
Watson (1980) p 213

It is important to point out, as Salaman (1979) does, that

although the power-holders may be in an advantageous and stronger position to use their influence to shape structure to protect their own power positions, other members with their different priorities are never the "mere tools" of senior managers. As a result structure is the outcome of a process of political struggle and negotiation between different interest groups.

Technology is closely bound up with structure and Salaman (1979) argues that it is necessary to consider its political implications in much the same way. Technology can be used to control people, especially if managers have a degree of freedom in choosing the type of technology (Child, 1972; Davis & Taylor, 1976; Salaman, 1979).

"Technologies are chosen, not imposed by norms of efficiency; and the structure of an organisation may owe as much to managerial philosophies, conceptions of organisational purpose and views of the nature and capacities of organisational personnel as to any immutable logic" Salaman (1980) p 93.

Structure and technology are usually conceptualised as the formal and official aspects of an organisation, including

"all the official arrangements made by those who control the organisation" Watson (1980) p 192.

It has been argued, however, that this approach excludes the informal arrangements and interaction which should be included

"we need to reconceptualise what is often

regarded as the total structure of the organisation as merely one part of it" Watson (1980) p 191

which

"leads us towards seeing the organisation's structure not in terms of the pre-given official arrangements into which individual actors are slotted but as the emergent pattern of relationships and behaviour of organisational actors" Watson (1980) p 192.

Culture and Ideology

The informal aspects of organisational life are usually categorised under such terms as culture and ideology. Culture rests on norms, values and beliefs (Eldridge & Crombie, 1974).

Ideologies are specific sets of beliefs

"about the social world and how it operates containing statements about the rightness of certain social arrangements and what action would be taken by the light of those statements" Wilson (1973) p 91. See Pettigrew (1979).

Culture can be broken down into myths, rituals, symbols and language (Pettigrew, 1979). It is a system of

"publicly and collectively subscribed-to meanings operating for a given group at a given time which function to interpret a people's own situation to themselves" Pettigrew (1979) p 574.

Organisations may contain a variety of cultures and sub-cultures (Salaman, 1979) and this informal part of organisational life is as important as the official structure in determining the nature of organisations and what goes on inside them.

How are the attitudes, expectations, beliefs and values which make up a specific culture or ideology formed? Some of the early work in this area was concerned with alienation at work, and the factors which caused it. Some people, such as Sayles (1958), Blauner (1964) and Woodward (1965), have argued that it is related to technology. This has an impact on the nature of social relationships, the quality of work, the degree of control which, in turn, influence feelings of alienation. Such research argues that attitudes are essentially the result of characteristics of the workplace.

These findings were questioned by Goldthorpe et al (1968). Goldthorpe found that despite assembly-line technology (which, according to Blauner, is associated with high levels of alienation) workers were not dissatisfied. This, argues Goldthorpe, was because workers had an instrumental orientation to work which led them to choose these jobs for the monetary reward, rather than their intrinsic satisfaction. The sources of this orientation were traced back to the class, community and family backgrounds of the employee rather than the workplace.

"Technology thus appears to be less important a variable than had been suggested. The motives, interests and extra-work backgrounds of the worker had to be taken into account, if not given central emphasis" Watson (1980) p 114.

Others, however, have argued that it is wrong to dismiss totally the influence of the work place. Beynon & Blackburn (1972)

claim that employees try to select work in keeping with their objectives but, nevertheless, make significant adjustments at work in keeping with the work processes, pay structures and power systems. Wedderburn & Compton (1972) found that instrumental workers displayed different attitudes and behaviour in response to the specific constraints imposed by the technology and control of a particular work setting (see Watson, 1980). Lupton (1963) found individualistic, as opposed to collective, attitudes were related to both internal and external factors. Lockwood (1958) has argued that the class consciousness of black coated workers is the result of the work situation (the conditions at work), the market situation (income, promotion, security), and the status situation (the position of the individual in the status hierarchy of the society at large).

Studies such as these demonstrate that, in the same way as structure and technology, attitudes and values at work are influenced by the characteristics of the workplace and factors external to the organisation. There appear to be two levels of external influence. On the one hand, there is the influence of values in the wider society, on the other, there is the impact of the specific context in which a particular organisation and its members are located.

Some writers have pointed out that the background and experiences

of the local community are instrumental in forming attitudes and ideologies. Beynon (1973) has emphasised the part played by the experiences of the Liverpool working class and the development of the Labour movement on Merseyside in influencing the attitudes of the Ford workers at Halewood. Lane & Roberts (1971) argue that the isolation of St Helens and the dependence of the town on the Pilkington Glass Works led to an authoritarian management and a deferential but resentful workforce. Martin & Fryer (1973) examined a similar situation at Casterton Mills.

Other writers have investigated the link between the values and attitudes of the wider society and those expressed at work. Bendix (1954), for example, has explored the relationship between the dominant political ideology and how the authority of managers is legitimated at work. Crozier (1964) examined how certain characteristics of French society were embedded in the French bureaucratic system. Marxist writers have also examined the relationship between the ideologies of the wider society and those at work (see, for example, Salaman, 1979).

It seem then, that the perspectives and attitudes of those at work are related to the wider society, the local community and the workplace itself

"in seeking to unravel the origins of their socio-political perspective and the forces which sustain it, it is we will argue, necessary to consider their 'immediate' and 'less direct'

experience and the wider ideological structures of this society and their institutional supports. To fail to do this is to ignore that the organisation and the control of the total society - and not just the local community and workshop - bears upon the organisation of knowledge about society itself" Nicols & Armstrong (1976) p 29.

Culture and ideology, it has been argued, are products of both internal and external forces and, in a similar way to structure and technology, are both outcomes and sources of power and politics. One factor which highlights this is the role of the entrepreneur in shaping culture. Beynon (1973) has demonstrated the impact of the philosophy of Henry Ford on managerial ideology which even outlived the man himself. Lane & Roberts (1971) have emphasised the role of the Pilkington family in shaping their firm in St Helens. Martin & Fryer (1973) stressed the influence of family philosophies on Casterton Mills. Entrepreneurs create ideologies and cultures to generate order, purpose and commitment among organisational members which, in turn, facilitates the achievement of their goals (Pettigrew, 1977, 1979). Ideology and culture can also be used to legitimate the way things are done in a particular organisation by asserting the rational, inevitable and functional nature of that organisation.

"Both within organisations and without, ideas and attitudes exist that justify the form of the organisation, the locations of people in their various positions with their associated rewards and deprivations and that claim the inevitability and neutrality of the organisation and the design of work, and

Proclaim the functional value of the
organisation's goals" Salaman (1979) p 179.

Organisational members may attempt to shape culture and ideology
because of the political benefits to be gained

"by their ability to exert power over others,
individuals can change or maintain structures
as well as the norms and expectations upon
which these structures rest" Pettigrew (1973) p 31.

Thus the very nature of the organisation, in terms of both
its structural and cultural components, is used to insulate
and enhance power positions (Ranson et al, 1980)

"power becomes institutionalised by a process
which legitimates and perpetuates not only the
social reality of the distribution of power
but also the various structures, procedures
and practices which reinforce the present
power structure" Pfeffer (1981) p

Organisation, Environment and Outcome.

This chapter has demonstrated how the nature of organisations,
in particular the structural and cultural arrangements, are
influenced by both internal and external factors. It has not,
however, been suggested that the environmental and organisational
context dictates organisational behaviour and forms. Instead,
the implication has been that the context places outer limits
on managerial discretion within which a certain amount of choice
is exercised.

The existence of a degree of choice enables actors to attempt

to produce the outcomes which best suit them. Such political behaviour is not surprising considering that organisations consist of a variety of interdependent and interrelated sub-groups, each with their own goals, interests and objectives (Child, 1972; Pettigrew, 1973). Political behaviour is most likely when groups perceive threats to their position or opportunities to enhance their status. Pettigrew (1973) and Mumford & Pettigrew (1975) have found that decision processes which threaten the existing distribution of resources are often associated with political behaviour for these reasons.

A political perspective looks for connections between outcomes, particularly those associated with changes in resource distribution, and political behaviour. The success or failure of groups to achieve their goals is related to their sources of power and their ability to use them. Furthermore, the very nature of the organisation is not viewed as necessarily functional or inevitable. Instead it is examined for its political potential as a source of power, and as a possible outcome of political behaviour.

This focus on power and politics, which is expanded in Chapter Three, is not meant to be at the cost of ignoring contextual factors. It has already been mentioned that the aim of this chapter was to discuss the relationship between organisation and environment. The problem is that, although the discussion

above has clearly demonstrated that external factors do impinge on organisational life, it has not shed any light on the exact nature of the relationship, about which there is some considerable confusion in the literature.

Ranson et al (1980) argue that the environment can act as a constraint and that we must not place too much emphasis on the perceptual element and the role of choice. The environment can and does act as an objective constraint regardless of peoples' perceptions of it.

Aldrich has minimised the role of choice still further

"while there are some occasions on which 'strategic choice' may be exercised, there are usually severe limits to decision-maker autonomy" Aldrich (1979) p 28.

"Various external constraints have been identified as sharply limiting the role that participants play in selecting organisations' structure and activities" Aldrich (1979) p 136.

Another perspective on the impact of the environment is the resource-dependency approach (see, for example, Yuchtman & Seashore, 1967; Aiken & Hage, 1968; Pfeffer & Salancik, 1978). This conceives of the environment as providing various resources on which organisations depend - survival depends on the ability to acquire these resources. Patterns of interdependency exist between organisations, in the network of institutions with which a particular organisation must interact and it is this

network which provides the resources. An organisation is vulnerable if it depends upon another for critical resources and so, a successful organisation is one which is able to reduce its dependency by acquiring access to or ownership of its resources, or by being able to control the use of the resources. Because the environment, and the patterns of interdependency, are constantly changing, organisational decision-makers have to be prepared to control or circumvent dependency on others. Strategies to do this might include mergers, diversification, inter-locking directorships, co-optation (Pfeffer & Salancik, 1978).

The idea of organisations responding to their environments is reminiscent of the arguments of Burns & Stalker (1961), Emery & Trist (1965), Lawrence & Lorsch (1967) and Terreberry (1968). Aldrich & Mindlin (1978), however, distinguish between the two approaches. The resource-dependency perspective views the environment as a source of scarce resources which are sought after by organisations who compete for and share them. Structure and actions are designed to facilitate the acquisition of these resources. The other writers mentioned above view the environment as a source of information which is used as a basis for maintaining or modifying structures and processes. Both approaches are, however, concerned primarily with a reactive response to the environment. This is also true of the views put forward above by Ranson et al and Aldrich. The resource-dependency

theorists, however, direct more attention towards the process whereby adaptations are made. This, in turn, sheds light on why adjustments are made and on the choices open to decision-makers, suggesting that there is some room for manoeuvre.

So far, we have considered the environment in terms of the varying degrees of its constraining influence and the extent to which an organisation must react to it. Pfeffer & Salancik (1978), however, have suggested that a proactive stance can be adopted by organisational members towards the environment.

The Environment as a Source of Power

"We argue not only that organisations are constrained by the economic, social, political and legal environment but that in fact, law, social norms, values and political outcomes reflect, in part, actions taken by organisations in their interests of survival, growth and enhancement. 'Environment' is not only a given to be absorbed, avoided or accepted. It is itself the dynamic outcome of the actions of many formal organisations seeking their own interests" Pfeffer & Salancik (1978) p 190.

Pfeffer & Salancik argue that organisations strive to achieve legitimacy for their goals, operations and activities in the eyes of the outside world because it ensures them social support for their continued activities. In this way the environment provides a direct power resource - legitimacy - to organisational members. Social legitimacy may be created and manipulated by decision-makers, rather than simply bestowed on

their organisation.

"An important part of the management of the organisation's environment is the management of social legitimacy. While legitimacy is ultimately conferred from outside the organisation, the organisation itself may take a number of steps to associate itself with valued social norms" Pfeffer & Salancik (1978) p 195

In this way, legitimacy is a resource available from the environment, which organisational members may take active steps to secure by, for example, changing their activities so that they seem compatible with societal norms, by identifying themselves with symbols, values, institutions which do have a strong base of social legitimacy, or by redefining legitimacy (Dowling & Pfeffer, 1975).

Meyer & Rowan (1977-8) argue that organisational structures are more likely to reflect the myths of their institutional environment, thus gaining legitimacy, than they are the demands of their work activities. In this way, organisations may survive as a result of being socially accepted and valued rather than by being efficient (Hirsch, 1975). Legitimacy can also help to buffer organisations against environmental uncertainty which threatens their effectiveness.

Organisational members who try to redefine legitimacy are seeking to change the environment rather than the organisation, making the environment fit the organisation rather than the other way round. Other writers have emphasised the importance

of changing the environment and proactively managing the political-economy and institutional environment of the organisation in order to secure economic and political resources. See, for example, Zald (1970), Warmley & Zald (1973), Benson (1975), Pfeffer & Salancik (1978). These writers demonstrate the importance of viewing the environment not only as a constraint, but also as a potential source of power which is manipulated by organisations in their attempts to secure that power.

"Legitimacy provides a linkage between the organisational and societal levels of analysis. Legitimacy and social norms and values constrain the actions taken by individual organisations. At the same time actions taken by organisations for the purpose of legitimation can actually alter the values and norms" Pfeffer & Salancik (1978) p 131.

The discussion above has been couched in terms of legitimacy and resources for the organisation. Of course, as has been stressed before, this refers to the dominant members' attempts to acquire legitimacy and resources in order to fulfil their goals. Such members may be in a strong position to acquire the resources they need but other groups may also seek to use the environment for their own ends.

Summary and Conclusions.

This chapter has attempted to examine the nature of the relationship between organisation and environment. It has

highlighted the relationship between political processes and outcomes, especially when those outcomes are connected with changes in the distribution of resources. It acknowledges the role of the environment, both in terms of its constraining influence on organisational activities and in terms of its provision of power sources and attempts by organisational members to modify it. Any theoretical framework which is successful in combining these features

"must work out from, but beyond, both the 'structural' perspective of specifying abstract dimensions and contextual constraints, and the 'interactionist' perspective of symbolic media mediation and negotiated processes. These procedures and perspectives which, until now, have tended to be regarded as incompatible, must be incorporated in a more unified methodological and theoretical framework"
Ranson et al (1980) p 1.

The actual impact of the environment on the organisation will depend upon the individual case: sometimes it will act as a total constraint; in some cases there will be some leeway for organisational members; in others, members will be in a position to manipulate the environment. This draws attention to the need to incorporate external influences into organisational analysis and to be aware of the different forms this relationship can take.

To make any progress towards an understanding of organisational life, it is necessary to incorporate several levels of analysis. Firstly there is a need to investigate the

organisational level, in particular the political processes.

There is also a need to incorporate the context. This includes organisational characteristics such as size, technology, structure and culture, and the environment of the organisation in question, for example, the community in which it is located, the institutional networks with which it interacts, the industrial sector of which it is a part. Finally there is the impact of the wider society which will have a general effect on all organisations in that society, at that time. Contextual and societal influences must be examined not only in terms of their direct constraining influences, but also for their provision of power sources for the various interest groups.

Pettigrew & Bumstead (1981) and Pettigrew (forthcoming) have also adopted different levels of analysis (in this case: outer environment; context; group; individual) in an attempt to reformulate organisational analysis and bring in the socio-economic context as part of the analysis of organisational process.

These recommendations guide my own research into closure. The focus will be on the political processes in the management of closure but, at the same time, due recognition will be given to the socio-economic fabric of contemporary Britain with which current closures are inevitably and inextricably linked.

Chapter Three

POWER AND POLITICS

The previous chapter has demonstrated the need to adopt a political view of organisations. It has long been argued that organisational outcomes, particularly those which threaten interest groups or which provide a vehicle for serving their interests, are not the result of rational decision-making but political activity (see, for example, Pettigrew, 1973). This chapter is intended to examine the issues of power and politics in more detail.

Power: Away from a definition.

Power is a complex concept to grasp and has always evoked a considerable amount of controversy around the definition and use of the term (see, for example, Partridge, 1970; Nagel, 1975; Lukes, 1977).

"The question of how to define the concept of power is a notoriously unsettled one"
Lukes (1977) p 4.

This has resulted in a proliferation of different definitions being used by writers with little, if any, agreement between them, and a confusion between power and similar terms such as authority and influence (Nagel, 1975).

The problem, according to Allison (1974), results from a failure to see the limitations of the concept which is too general and which should, perhaps, be replaced by a more specific and well-defined term. Bachrach & Lawler (1980) argue that power is inherently a primitive term and, as such, is bound to be vague. Rather than attempting to pin it down to a precise definition, we should be using it to reveal the complexity and multi-dimensionality of the phenomenon, to integrate ideas and, perhaps, to develop more specific concepts.

"Extant work on power usually attempts to impose on the concept a level of precision beyond that appropriate for a primitive term. Thus, we must ask not what is power but to what does the notion of power sensitise us" Bachrach & Lawler (1980) p 14.

This is sound advice - attention should be directed towards asking what power comprises and how it produces results, rather than what it is.

There have been a number of different ways of approaching the question of power and recent discussions of these (for example, Gavents, 1980; Saunders, 1980) have tended to follow Lukes's pattern of dividing the literature into three categories.

The One-Dimensional Approach.

One view of power is that of the pluralists (Dahl, 1957, 1961; Polsby, 1963; Parsons, 1963; Wolfinger, 1971). The focus here is on the decision-making process. The powerful are those who

are able to influence the process in order to obtain the decisions they want. Power, according to the pluralists, is only exercised in key issues and decisions when conflict is clearly observable. Other than this, consensus prevails.

The narrowness of this approach has been severely criticised (Giddens, 1968; Lukes, 1974; Gavents, 1980; Saunders, 1980) for its failure to recognise that interests and grievances might remain inarticulated and outside the decision-making arena. Consequently, conflict might well exist even though it is not directly observable. The focus on decision-making has been criticised because of its assumption that the use of power is confined to this arena and that access to it is equally available to all organisational members.

The Two-Dimensional Approach.

Bachrach & Baratz (1962, 1963, 1970) were among the first to take issue with the pluralists' approach. They developed the notion of a second face of power in which power, rather than simply being exercised within decision-making processes, is used to exclude certain issues and individuals from that very process. The powerful are able to use mechanisms such as the mobilisation of bias and nondecision-making^{*} to squeeze

* For a more detailed discussion of these terms see below p 3.17.

people out, confining decision-making to safe issues. In this way outcomes are the result of decision-making and nondecision-making. This approach, however, fails to deal with the other defect inherent in the one-dimensional view of power. Bachrach & Baratz continue to confine themselves to observable conflict which may be overt or covert but, nevertheless, still exists

"in order for a power relationship to exist there must be a conflict of interests or values" Bachrach & Baratz (1970) p 633.

In other words, although they consider the use of power to suppress issues and prevent them from coming up for decision-making, they do not consider its use to prevent issues from being articulated and observable conflict from arising. By doing this, they assume that the absence of grievances and manifest conflict means consensus but

"to assume genuine consensus in a situation where there is no apparent conflict (that is, to give the system - and the powerful - the benefit of the doubt) appears to be no more justifiable on theoretical grounds than to assume that such a situation necessarily indicates the existence of a widespread false consciousness" Saunders (1980) p 33.

The Third Dimension of Power.

This is Lukes's (1974) attempt to correct the deficiencies of the one- and two-dimensional views. He argues that power is mobilised not only to prevent issues and conflict from entering the decision-making arena but also to prevent issues and conflict from arising at all. Power can be used to prevent

people

"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 can see or imagine no alternative to it, or because they see it as natural and unchangeable, or because they value it as divinely ordained and beneficial" Lukes (1974) p 24.

In other words, we can not confine our study of power to observable conflict, the outcomes of decisions, or even suppressed issues. We must also consider the question of political inactivity and quiescence: why grievances are not formulated; why demands are not made; why conflict does not arise, as this may be the result of the exercise of power (Lukes, 1974; Gavents, 1980; Saunders, 1980).

"We may, in other words, be duped, hoodwinked, coerced, cajoled or manipulated into political inactivity" Saunders (1980) p 22.

Power: From Three Dimensions to Two.

Lukes's three-dimensional classification has become the traditional way of discussing power (see, for example, Gavents, 1980; Saunders, 1980). Despite this three-fold division, it seems to me that power, or the use of power, falls more naturally into one of two camps. The first two dimensions are concerned with power being exercised in the face of competition, conflict or opposition. This is plainly clear in the work of the pluralists, but also in the work of

of Bachrach & Baratz where

"even here, however, the focus was very much upon 'issues' about which 'decisions' have to be made, albeit 'nondecisions'. Power in this view stands close to action, using the bases of power to ensure compliance'
Ranson et al (1980) p 8.

but, as Ranson et al continue,

"power is most effective and insidious in its consequences when issues do not arise at all, when actors remain unaware of their sectional claims, that is, power is most effective when it is unnecessary" p 8.

This is where Lukes's discussion of power comes in - the ability to shape values, preferences, cognitions, perceptions so that grievances and issues do not arise or, if they do, they are never articulated or transformed into demands and challenges.

Other writers have drawn attention to the more subtle aspects of power. Fox (1973) has pointed out that the powerful do not need to make their power visible because their position is rarely challenged. Hyman & Fryer (1975), in their discussion of trade union power, have distinguished between objective power based on material sources of power, and subjective power which rests on the awareness of workers that they are in a disadvantaged position and that political issues exist. Pettigrew has drawn attention to the cultural and unobtrusive aspects of control in his 1977 and 1979 papers.

If this two-level analysis of power is extended it becomes clear that it affords a degree of flexibility that the three-

dimensional model does not, without losing sight of the important insights of Lukes's work. Power can be used in two ways - one use of power is to prevail in the face of conflict, the other is to prevent that conflict from arising in the first place.

Overt Power.

Overt power refers to the ability to produce preferred outcomes in the face of competition and conflict. The decision-making arena is one mechanism which can be used to achieve these outcomes. Power is exercised to produce favourable decisions (the pluralist approach) or to keep dangerous issues out of the arena (nondecision-making). Either way, the decision-making process produces, positively or negatively, the desired result. Outcomes can be influenced outside of this arena, for example, the implementation of decisions may become a political process as groups attempt to impose or block decisions already made.

The sources of overt power are grounded in the differential access to material and structural resources (Ranson et al, 1980). Because resources are differentially distributed some actors are dependent upon others for access to them. Dependency relations confer power onto those providing the resources to others (Emerson, 1962). The successful control and management of these scarce resources allows political

actors to influence decisions, agendas, resource allocations and the implementation of decisions.

Power involves the possession of strategic resources on which others depend. Pettigrew (1973), for example, argues that power sources include access to information, expertise, assessed stature, political access and sensitivity. Mechanic (1962) has suggested that lower participants are able to acquire power through their access to information, people and instrumentalities (equipment and machinery) which makes others dependent on them. Hickson et al (1971) argue that the power of a sub-unit is related to its ability to cope with uncertainty, to the extent to which it can be substituted, and to how central it is to the workflow. Hickson places the sources of power in the technology and division of labour within an organisation. Other sources, such as access to information, are also grounded in the organisational context. Other power sources may have their roots in the external context. Expertise, for example, is derived from training, education and previous experience. The country's legislation may provide some with a source of power.

The sources of overt power lie in the access to scarce resources which, in turn, is derived from the organisational and environmental setting in which the actors are located.

Pettigrew (1973) has argued that it is not enough to possess

these sources, political actors must also be aware of them, and able to control and tactically use them, if they are to be successful. Thus political success depends not only on the possession of strategic resources, but also on the ability to mobilise them: dependency relations have to be managed. In this way we move away from a static view of power to a view of a political process.

Unobtrusive Power.

There is a need to go beyond the notion of overt power and examine the whole question of power in more depth. Power, as Lukes has stressed, can be utilised to prevent issues and conflicts from arising - to secure acceptance and quiescence. An understanding of the unobtrusive side of power should help us to understand quiescence as a possible result of power relationships. It should also help us to understand under what conditions rebellion might arise, and what form it might take.

"Power works to develop and maintain the quiescence of the powerless. Rebellion, as a corollary, may emerge as power relationships are altered. Together power and powerlessness can keep issues from arising, grievances from being voiced and interests from being recognised" Gavents (1980) p vii.

Political actors may define success, not so much in terms of winning in the face of confrontation (where there must always

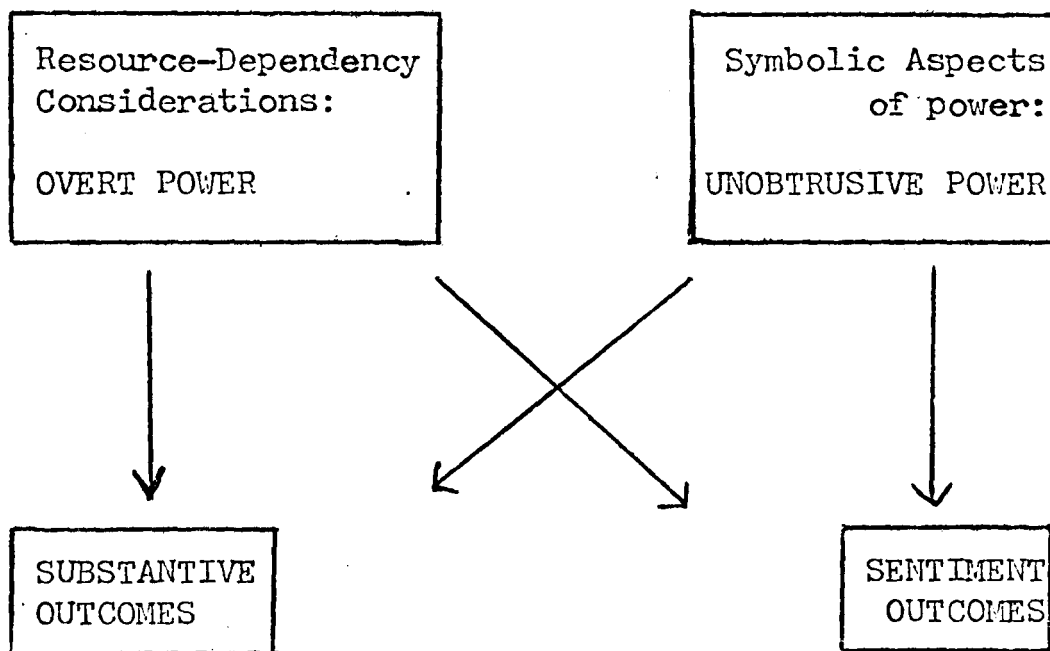
be a risk of losing), but in terms of the ability to section off spheres of influence where domination is perceived as legitimate and thus unchallenged. The unobtrusive side of power revolves around attempts to create legitimacy and justification for certain arrangements, actions and outcomes so that they are never questioned. In this way, power is not only mobilised to achieve physical outcomes but also to give these outcomes certain meanings; to legitimise and justify them.

"Political analysis must then proceed on two levels simultaneously. It must examine how political actions get some groups the tangible things they want from government and at the same time it must explore what these same actions mean to the mass public and how it is placated or aroused by them. In Himmelstrand's terms, political actions are both instrumental and expressive" Edelman (1964) p 12

Pfeffer (1981) has distinguished between substantive and sentiment outcomes of power. The former are physical outcomes and depend largely on resource-dependency considerations. The latter refer to the way people feel about the physical outcomes. These are mainly influenced by the symbolic aspects of power - the use of political language, symbols and rituals. My use of the term overt power corresponds to Pfeffer's resource-dependency considerations and their effect on substantive outcomes, and my discussion of unobtrusive power is closely linked with the symbolic aspects of power expounded by Pfeffer. Below is a diagram which explains in more detail the two aspects of power and their effect on outcomes.

Diagram 3.1

The Overt and Unobtrusive Aspects of Power



The mobilisation of the sources of power based on resource-dependency patterns enables actors to produce the physical or substantive outcomes they desire. The use of unobtrusive power, by manipulating symbols and language enables power-holders to produce certain sentiments among other groups. Pfeffer argues that there is only a weak relationship between the symbolic aspect of power and substantive outcomes. I would argue, however, that there is a strong relationship. By engineering sentiments among the power-less, the powerful are able to endow their actions or proposed actions with legitimacy in the

eyes of other individuals. Actions and decisions which are perceived to be legitimate are unlikely to be questioned or opposed. As a result the powerholders achieve the outcomes they want because nobody attempts to prevent them from doing so. Unobtrusive power is used to achieve substantive outcomes by influencing sentiments such that outcomes are deemed legitimate, inevitable or acceptable (in the manner described by Lukes). Another relationship omitted by Pfeffer is that between overt power and sentiments - the use of overt power, especially if it is perceived as excessively coercive, may produce hostile sentiments towards its use and the outcomes it is intended to produce - the means renders the end unjustifiable.

The essence of the unobtrusive aspect of power is the ability to give meaning to events and actions, and to influence the perceptions of others so they either remain unaware of the implications of political outcomes or view them in a favourable way. Unobtrusive power is thus founded in the ability to define reality, not only for oneself, but for others.

Various epistemological and theoretical stances allow individuals a degree of freedom in defining reality. Social action theory, for example, suggests that social reality is socially constructed but that meanings are given to us by society: society defines us and we define society in a two-way process

(Silverman, 1970). Solipsism asserts that the whole world is the creation of the mind and has no existence beyond the perceived sensations of the mind and body (see Burrell & Morgan, 1979). Somewhere between these two perspectives lies phenomenology (see, for example, Schutz, 1972). This argues that meaning is still subjective but reality lies in the inter-subjective set of classifications which are used by people as they attempt to make sense of what they see and feel. In other words, reality is perceived individually but, because new experiences are classified on the basis of past experiences and stocks of knowledge, they are contextually and culturally grounded. Consequently, there is likely to be a high degree of inter-subjectivity between people in similar social situations (Burrell & Morgan, 1979).

If we accept that reality, at least to a degree, is socially constructed, then there is room for individuals to define reality. It has been suggested by some that this ability is not equally distributed throughout society. Although the broad paradigm may be similar for particular groups and societies there are, in fact, multiple realities or perceptions of reality. The definitions which are most likely to be adopted are those of the more powerful

"he who has the bigger stick has the better chance of imposing his definition of reality" Berger & Luckmann (1960) p 126-7.

Consequently, there are some groups who are able to define

reality for others as well as themselves. Such groups will tend to be those who control the mechanisms which "teach" us our values, beliefs, attitudes and which help us to form our perceptions of life, for example, the media, education and other information channels. It has long been argued, particularly by Marxist writers, that those who possess ideological power of this nature are those who are also privy to material domination. See Burrell & Morgan (1979).

This is the dominant theme of Gramsci's work (see Boggs, 1976) who coined the phrase "ideological hegemony". This refers to situations in which

"a structure of power relations is fully legitimised by an integrated system of cultural and normative assumptions"
Hyman & Brough (1975) p 199.

In this case, the ability to define reality is restricted solely to dominant classes who use it to support and justify their material domination, thus preventing challenges to their position.

Other writers, however, disagree with the view that this source of power is the exclusive ability of the elite.

"All social actors, no matter how lowly, have some degree of penetration of the social forms that oppress" Giddens (1979)
p 72.

We should not assume that dominant groups alone have recourse to unobtrusive power and the ability to define reality. Instead,

we should view the ideological bases of power as being differentially distributed throughout society, in much the same way as the sources of overt power. Some groups may be more likely to possess these sources but that does not render other groups totally defenceless - in most circumstances there will be some sources of power they can seek out and employ. This enables us to move away from the conception of ideological power purely in class terms, and we can start to examine its use in other arenas, such as organisations.

The politics of unobtrusive power is associated with attempts by interest groups to legitimise their demands and "delegitimise" the demands of others, which Pettigrew (1977b, 1979) refers to as the management of meaning. Dominant groups engage in it to prevent people from becoming aware of grievances, to prevent grievances from being transformed into challenges, to depoliticise issues, to legitimise existing power positions. Subordinate and potential opposition groups, on the other hand, will attempt to make people aware of grievances, politicise issues, and delegitimise the status quo. Both groups will, by attempting to manage meaning, be using the symbolic and unobtrusive aspects of power.

"Politics concerns the creation of legitimacy for certain ideas, values and demands - not just action performed as a result of previously acquired legitimacy. The management of meaning refers to a process of symbol construction and value use designed both to create legitimacy for one's own demands and to 'delegitimise' the demands of others"

Pettigrew (1977 b) p. 85.

The Mechanisms and Sources of Unobtrusive Power.

One obvious source of unobtrusive power for some groups is the ideological hegemony of the wider society. Salaman (1980) argues that there are a variety of societal mechanisms which help prevent the formation of full class consciousness and political organisation, thereby gaining quiescence to the status quo. Salaman acknowledges, however,

"that despite the 'success' of such societal mechanisms, the extent of quiescence, resignation or class consciousness varies from plant to plant, industry to industry, region to region" Salaman (1980) p 29

which must mean that there are other, local sources of unobtrusive power.

One local source of unobtrusive power for dominant organisational members is their ability to institutionalise their existing power in structures and cultures to protect it from change. As has been discussed in the previous chapter, structure, culture and technology are important ways of enabling some groups to protect their interests.

"The ideological nature of organisational decisions and events or structure and processes is mystified, disguised and denied by the very structures which advance and perpetuate the oppression of organisational members. For it is often argued that members of organisations are constrained and frustrated not by human agency, or sectional interests, but by

neutral technology, inevitable market pressures, unavoidable scientific-technical advances, the need to 'rationalise'" Salaman (1979) 0 181.

So, the very nature of the organisation acts as a source of power for some groups, and as a mechanism by which some groups are controlled, unknowingly, and directed towards the objectives of others.

Structure and culture can also be used by senior organisational members to acquire legitimacy in the eyes of individuals outside the organisation (Dowling & Pfeffer, 1975; Pfeffer & Salancik, 1978) by reflecting the myths and demands of the institutional environment rather than norms of efficiency (Meyer & Rowan, 1977-8).

"By designing a formal structure that adheres to the prescription of myths in the institutional environment an organisation demonstrates that it is acting on collectively valued purposes in a proper and adequate manner. The incorporation of institutionalised elements provides an account of its activities that protects the organisation from having its conduct questioned" Meyer & Rowan (1977-8) p 349.

Another mechanism which can aid dominant organisational groups is the mobilisation of bias. Bachrach & Baratz (1970) use the term to refer to

"a set of predominant values, beliefs, rituals and institutional procedures ('rules of the game') that operate systematically and consistently to the benefit of certain persons and groups at the expense of others" Bachrach & Baratz (1970) p 43.

Bachrach & Baratz use the term - the mobilisation of bias - in an overt sense where actors consciously and actively use the bias of the system to exclude certain issues from the decision-making arena. It implies a planned effort to squash specific demands by using the available opportunities. It entails

"more or less direct manipulation. It does not cover the situation of which the essential feature is common acceptance of certain basic premises, which nobody directly engaged in dispute, bargaining or advice considers it realistic to challenge"
Westergaard & Resler (1976) 0 148.

More recent writers, including Lukes (1974) and Saunders (1980), have used the concept to refer to the situation described in the quote above. As such, the concept refers to the use of unobtrusive power; to the exertion, by dominant interests, of such a degree of control over value and political systems that certain demands are never expressed. It seems to me that the current usage of the term evokes more of an idea of unobtrusive power, despite its original association with Bachrach & Baratz. The behaviours noted by these authors would seem better accomodated by the concept of nondecision-making where force, sanctions, threats, procedures, precedents, rules and symbols are used to thwart challenges by keeping them out of the decision-making arena. For these reasons I intend to use the mobilisation of bias as a mechanism of unobtrusive power, in the same way as Saunders (1980) and confine the use of negative or nondecision-making to the overt side of power.

Another mechansim which might favour dominant groups goes under

the heading of anticipated reactions. Actors are aware of grievances but challenges are not made either for fear of the consequences, or because it is not considered worthwhile. The empirical problem here is to distinguish between those anticipated reactions which are "genuine" and those which are the result of another group's intervention. The latter might well represent a power ploy to "persuade" groups not to make certain demands.

The institutionalisation of power within structural and cultural arrangements, the ideological hegemony of the wider society, the mobilisation of bias and the manipulation of anticipated reactions undoubtedly exist to the benefit of dominant groups in society. It is more difficult, however, to trace their existence to specific groups. These advantages have evolved over long periods of time and we cannot hold a particular group causally responsible for them, even though it may benefit from them.

"This is not to deny that the powerful may succeed in imposing their definitions of reality on others, but the definitions they impose are necessarily confined within the context of the dominant form of life or hegemonic principle" Saunders (1980) p 36.

Furthermore, the workings of these types of mechanisms are likely to be so subtle and unobtrusive as to be unnoticeable. They achieve outcomes almost by default, because demands and challenges to the status quo are simply not made. As a result, the impact of these mechanisms is hard to detect: political

inactivity due to mechanisms such as these may be difficult to distinguish from political inactivity which is the result of people being genuinely happy with the state of their affairs.

"We need, that is, to distinguish between an authoritative relationship in which legitimacy is voluntarily ceded from below, and various forms of manipulative relationships in which legitimacy is in some way imposed from above. The problem is that empirically, both types of power relationship are likely to appear the same" Saunders (1980) p 28.

There are difficulties then, in establishing the existence of these types of unobtrusive power relationship. Lukes's (1974) solution to this problem is to measure "true" or "real" interests and, if these are not being met for any reason, he concludes that power is at work. This approach has been heavily criticised because of the difficulties in measuring true interests (Martin, 1977; Gavents, 1980). Saunders (1980) purports to have overcome this by arguing that, although true interests can not be directly ascertained, the overall pattern of costs and benefits associated with a decision can be evaluated and, through this, true interests assessed. This may be possible with straight forward decisions, for example, no pollution is better than pollution. It is not, however, so feasible with more complex decisions. If, for example, no pollution is only available at the expense of increased costs then the price of goods might rise and/or employment might fall. How does one measure the benefits of reduced pollution against

the costs of higher prices or reduced job opportunities?

Benton (1981) has also drawn attention to the problems of using real interests to determine the use of power because of the evaluative nature of their measurement. Benton claims to have solved this with his use of the concept of "objectives". This solution is, however, too arbitrary and confusing to advance the argument.

The difficulties in measuring true interests have not, in my opinion, been satisfactorily overcome to allow its use on an empirical basis. The use of such subtle processes as those mentioned above cannot, as yet, be empirically ascertained and verified even though they doubtless exist. It is not the essence of Lukes's concept of power which is at issue, but his use of real interests to verify it.

"It is clearly the concept of 'real' or 'objective' interests rather than the concept of power which is the precise site of the difficulty, since it is the politically evaluative character of attributions of interest which renders the view of power on which they depend 'essentially contested'" Benton (1981) p 164.

This problem can, however, be partially overcome by the use of the term powerlessness. This acknowledges the fact that some groups are politically disadvantaged through no fault of their own, and allows speculation and documentation of the processes which may have produced this, without attributing the cause to the use of power by specific groups or individuals.

Unobtrusive power can, however, be used to influence sentiments in a more open way, to secure the acceptance of desired substantive outcomes by other groups. In this case, its use can be empirically ascertained without the need to resort to real interests. In a situation, such as closure, where there is a potential conflict of interest, groups and individuals may be prepared to admit that they have taken steps to influence perceptions in order to secure the acceptance of preferred outcomes. If admissions can be connected with actions which, in turn, can be traced to outcomes, it is fair to assume that unobtrusive power has been at work, especially if there are no other persuasive explanations. In this way, the use of unobtrusive power can be ascertained, even if those people being influenced and manipulated are unaware of it.

Various mechanisms will be utilised in attempts to manage meaning and influence sentiments in this way. Some of these are discussed below.

Symbols

This term is often used as an all-embracing concept to include language, rituals and myths. Essentially, the important aspect of symbols is that they stand for something other than themselves - the meaning is in society, not in the symbol (Edelman, 1964). Furthermore they have a multiplicity of meanings which can

be useful in politics (Abner Cohen, 1975).

Language

Language is an important aspect of political activity (Pettigrew, 1977, 1979; Pfeffer, 1981). It can work as a catalyst to mobilise support, or as a device to cloud issues and quiet opposition (Edelman, 1964). Mueller (1973) points out how the obfuscation of political reality can be achieved with the use of a highly evocative language. On the other hand, language and political consciousness are closely linked. It typifies and stabilises experiences, integrating them into a meaningful whole (Pettigrew, 1977, 1979). Martin (1977) points out that groups who can perceive their situation experientially but who are unable to translate these specific experiences into general terms will be unable to adequately define their own position. This, in turn, will inhibit political consciousness and activity. Language, therefore, is likely to be an important device in both restricting opposition and rallying support.

Myths

This phenomenon is probably the most empirically explored aspect of symbolism in political activity. Myths have been defined as fictional narratives and, more explicitly, as

narratives of events which explore issues of origin and transformation (see, for example, Abner Cohen, 1975; Pettigrew, 1977, 1979). Myths can be used to legitimate existing power positions (Abner Cohen, 1975; Anthony Cohen, 1975; Pettigrew, 1977, 1979; Gavents, 1980), by emphasising the importance of the past and of tradition. They can also be used to question the legitimacy of the status quo and emphasise the importance of change and modernisation (Anthony Cohen, 1975). So, myths can be used to both justify or challenge the system.

Rituals, Ceremonies and Settings

These are the more physical aspects of symbolism. Ritual, rite and ceremony appear to be used interchangeably. They refer to procedures and ceremonies which convey certain messages and meanings. So, for example, the ceremony of dismissal and replacement might be used to signal change, discredit past practices, warn others. Meetings may take on a ritual character in order to convey messages to the participants. Settings, including the grandeur of rooms and the seating arrangements, can express the importance assigned to meetings and individuals (Peters, 1978).

Summary and Conclusions.

This chapter has attempted to examine the way in which power

and political activity can be used to produce desired outcomes. A two-fold analysis of power has been suggested which is documented in more detail below. This focus on intra-organisational processes should not blind us to the fact that the political processes within organisations are contextually embedded in the wider society.

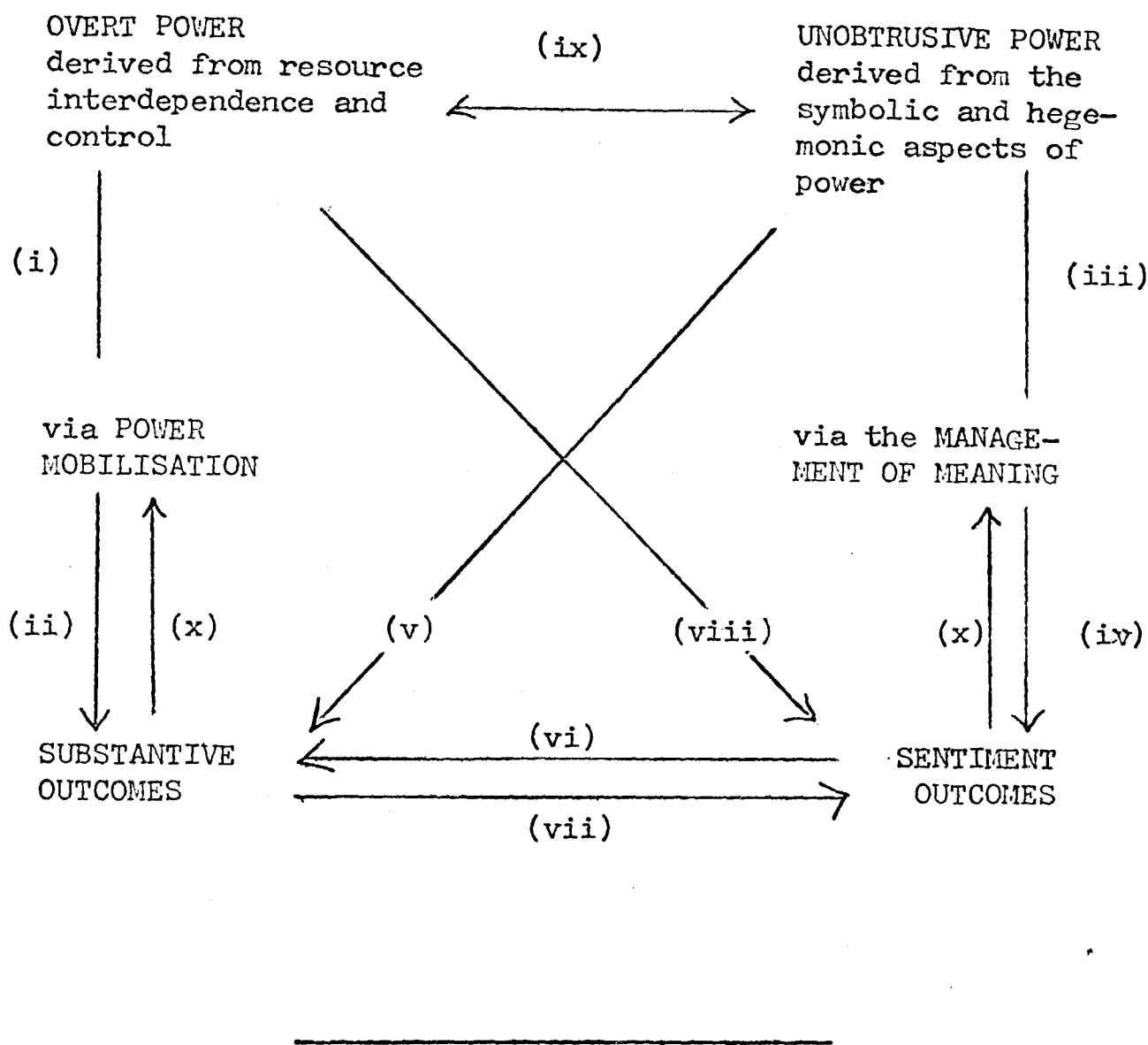
"Power within organisations is related to the distribution of power outside the organisation. The various features of processes of organisational control - sanctions, control mechanisms, legitimating ideologies, resources, justificatory assumptions about the qualities and intelligence of 'types' of personnel etc - derive from, and only make sense (or could succeed) in terms of their surrounding society. The inequalities of organisations reflect the inequalities of the host society" Salaman (1979) p 2.

The diagram below illustrates the relationships involved in the unobtrusive and overt aspects of power:

- (i) Overt power is based on the control of scarce resources and resource interdependencies. Success depends upon more than the mere ownership of these power bases, they also have to be brought into action through a process of power mobilisation.
- (ii) The mobilisation of overt power sources enables actors to achieve the substantive outcomes they desire, for example, in the form of budget and resource allocations, decision outcome and implementation. Overt power is mobilised by actors in their attempts to secure these outcomes in spite of

Diagram 3.2

The Overt and Unobtrusive Aspects of Power



opposition and conflict.

(iii) Unobtrusive power is derived from hegemonic and symbolic sources which are brought into play through a process called the management of meaning.

(iv) Unobtrusive power can be used to influence sentiments. It might, for example, be used in conjunction with overt power - one producing the desired outcomes, the other producing favourable feelings towards those outcomes.

(v) Unobtrusive power can produce substantive outcomes directly. Factors such as the institutionalisation of power and the bias of the system ensure that certain demands and challenges are never made because actors are unaware that the issues are political, that there is any alternative or that grievances exist. In this case, because of the prevailing ideological hegemony, substantive outcomes are achieved by default. This relationship corresponds closely to Lukes's third dimension of power.

(vi) Unobtrusive power can produce substantive outcomes in a less direct way. In this case, unobtrusive mechanisms are used to produce favourable sentiments towards certain outcomes. So, steps are taken to "persuade" other groups to accept desired outcomes.

(vii) There may be relationship between substantive outcomes and sentiments - some outcomes may be so unpalatable that they automatically produce hostile sentiments.

(viii) The excessive use of overt power may, for example, produce hostile sentiments.

(ix) There may be a relationship between the two types of power - the successful use of one may preclude the use of the other.

(x) There will be feedback from the outcomes into the power systems. The existence of certain physical outcomes and sentiments may, for example, increase or reduce the power sources of the groups involved.

To sum up, the analysis of political activity requires an examination of both the overt and unobtrusive aspects of power.

"It is through competition and conflict that occurs at once on both a symbolic level as well as with respect to interdependencies and power relationships that the outcomes of organisational power and politics get determined" Pfeffer (1981) p 229.

Chapter Four

A Framework for Closure

The previous two chapters have been designed to provide a comprehensive framework which accounts for the interrelationships between organisation and environment and which explains the role of power and politics. It is now time to see whether this framework has any relevance for the area of organisational closure. This chapter reviews the previous two and relates the framework to closure on the basis of secondary data from the existing research on closure and redundancy.

The two major principles which have emerged from the preceding discussion are (i) the environment must be examined as well as the organisation if we are to understand what goes on within organisations, and (ii) a political view of organisations is likely to be most fruitful in explaining actions and decisions in organisations, particularly those that threaten or benefit interest groups by changing the existing distribution of resources.

The environment has been broken down into two areas. The wider environment refers to trends, values and practices which affect all organisations in a given society, at a given time. The

environment of a specific organisation is referred to as its external context. It includes the local community in which the organisation is situated, the network of institutions with which it interacts, and the industrial or public sector of which it is a part. The context also includes the internal characteristics of the organisation such as its size, structure, technology, culture, ideology and workforce.

Organisational outcomes are a product of environmental influences in a number of ways. The environment can act as an objective constraint on actions and decisions taken by organisational members. The organisation may respond to the environment in a reactive way, operating within limits defined by environmental pressures, although with some degree of leeway. The environment can represent a source of power to organisational members who take steps to proactively manage it in order to secure control over these resources.

Within the organisation, political processes are an important component. The use of power can be overt and/or unobtrusive as actors seek to influence substantive outcomes and sentiments. Both the material and symbolic sources of these aspects of power are to be found in the organisational and environmental context of the organisation in question. A political analysis must examine the actions of individuals and groups as they seek to mobilise these power sources to further their interests.

The term powerlessness has been incorporated to explain the position of groups and individuals who are politically disadvantaged by values, biases and institutions in organisations and society which have evolved over a number of years, rather than as the result of the direct actions of other actors.

In order to explain the nature of the response to closure and the outcomes of closure decisions, we need to consider three levels of analysis:

- (i) The impact of the wider environment in terms of its general influence on all closures.
- (ii) The impact of the specific context of a particular closure, including both the external setting and the characteristics of the organisation.
- (iii) The impact of the strategies, both overt and unobtrusive, by groups in their attempts to impose or oppose the closure decision.

If this framework is to be applicable to closure there are a number of questions which need to be answered.

- (i) Is there justification for arguing that closures are political and that a political analysis should be adopted?

It seems to me that closure is likely to be a political issue and there are strong theoretical reasons for this. Closure decisions are innovative, they have repercussions

which affect the existing distribution of resources (usually by removing resources), thus heightening people's perceptions of resources and power, and releasing political energy. See Pettigrew (1973), Mumford & Pettigrew (1975) and Pettigrew (forthcoming).

There are many reasons why people may wish to prevent the closure of a hospital, school or factory. The closure will deny them future jobs, hospital care or education facilities. People may stand to lose the jobs they already have and may not welcome the prospect of changing to a new one. In the current economic climate of this country, it may not be possible to find another job. In Great Britain in 1977, a quarter of those unemployed had been out of work for a year or more (IWC, 1978). Even if redundant workers are able to find new work, they may become redundancy-prone because of the "Last In First Out" (LIFO) policy which is often used to select redundancies.

There may be benefits to be derived from closure, such as the golden handshake, but these, at the very least, will be accompanied by change and uncertainty. Consequently, unions and employees may find the costs of closure very high and will have reason to resist it. If this is the case, closure becomes a political issue with some groups trying to impose it, others trying to prevent it. Even without actual resistance,

the realisation by employers that closure is an unsavoury prospect in the eyes of many may be enough for them to view its implementation as a political process.

(ii) Who are the opposing or potentially opposing interest groups?

It has been stated above that there are those who wish to prevent closure and those who wish to secure it. Management, or senior management, and employers are likely to be "pro-closure" in that they will have taken the decision to close and/or will be responsible for implementing it. More junior management may, if threatened with redundancy, be inclined to resist although there are few examples of this (Wood, 1980).

Employees are probably most likely to oppose closure because it is they who stand to lose their jobs. For some employees, however, such as those nearing retirement or those who can easily find another job, the prospect of leaving with redundancy compensation may seem an attractive proposition.

Unions may be opposed to closure, given their remit to protect employment and serve the interests of their members. It is not always the case, however, that they work in accordance with the wishes of their members (see Pizzorno, 1978). The lack of support from the union hierarchy for strikes at Fords has been noted by a number of writers (Matthews, 1972; Beynon, 1973;

Red Notes, 1978). Beynon & Wainwright (1979) have demonstrated the hostility of union officials to shop steward initiatives in setting up combines. Ursell (1976) has noted the failure of unions in the steel industry to support shop steward action committees in the fight against redundancy. Bryer et al (forthcoming) points to the failure of steel unions to use the available accounting evidence to contest the closure of Corby Steelworks. Bradley (1978) found reluctance on the part of the unions to support the founding of the Scottish Daily News (SDN) worker co-operative. A study by Parker (1971) found that only 6% of union officials felt that redundancies could be entirely avoided in the long term. Clarke (1979) argues that a fight against redundancy at Strachan's van bodies plant in Hampshire was ended by union officials who forced employees back to work (also see Peers, 1974).

Unions may oppose closure, but it is presumptuous to assume that they are automatically anti-closure.

"Trade union officers, themselves, have frequently failed to oppose redundancy seriously, and seem largely to have accepted managerial explanations of the problem" Clarke (1979) p 83.

Outside groups, such as governments, MPs, councillors, members of the local community, may also be involved in the closure. Whether they are in favour of it or opposed to it will depend on the particular closure.

There are then, in any closure, a number of potentially opposing interest groups. Exactly who is pro- or anti-closure will depend on the particular closure and it is up to the researcher to identify these groups and their interests.

(iii) Do these groups try to influence substantive outcomes and sentiments?

In some circumstances, those wishing to effect closure, for example senior managers, may wish only to influence the substantive outcome ie ensure that the closure goes ahead. How it is achieved and how people feel about it may not be important. A company with only one plant might be unconcerned about sentiments because they have no other factories to suffer from any repercussions.

In other cases, however, managers may be more concerned with sentiments. It may be far more preferable to these managers that, rather than risk confrontation over a closure, they secure acceptance of it from employees and unions. Firms might adopt this view because they have other closures planned and do not wish to jeopardise them. They may not wish to antagonise industrial relations in surviving plants. They may be anxious to maintain a responsible and caring reputation.

They may not wish to risk a strike or an occupation. Desires for a peaceful closure may direct managers towards the use of unobtrusive strategies in order to prevent conflict over the

closure from arising.

Opposition groups may have to choose between unobtrusive and overt strategies - between reformism and revolution (Saunders, 1980). The former might involve creating an image of respectability and credibility by limiting tactics to lobbying and discussion. This might win support but it runs the risk of putting minimal pressure on employers, who might not be prepared to listen. The latter involves more extreme measures, such as an occupation or strike, designed to force employers to stop the closure. This strategy runs the risk of attracting opposition from those who view such tactics as irresponsible.

(iv) What overt and unobtrusive strategies are available to interest groups, and on what sources of power are they based?

The overt sources of power to those groups wishing to effect closure are based on the legal system in this country.

Employers usually have the legal right to close a place down. There is an obligation to inform the Department of Employment (DoE) and employees in advance (60 days in advance if 10 - 100 redundancies are involved, 90 days if more than 100 are involved). Firms have to give redundancy compensation. Employees who have been employed for more than two years are entitled to ½ week's pay per year of service while aged 18 - 21 years, 1 week's pay while aged 22 - 40, and 1½ week's pay while 41 - 65, up to a maximum of 20 years service. The State reimburses the

employer $\frac{1}{2}$, $\frac{1}{2}$, 1 week's pay per year of service respectively. Apart from these restrictions, an employer has the legal right to close a factory.

The situation with hospitals is rather more complicated. It appears that, usually, local management recommends closure. If this is approved by the Area Health Authority (AHA), consultations must take place with employees, unions and Community Health Councils (CHCs) among others. Should the CHC object to the closure it has the power to refer it to the Secretary of State for Health and Social Security who can confirm or revoke the closure. (For more details on the process in the National Health Service (NHS) see Chapter 8.)

Power is thus conferred by the legal machinery of the society. In British industry it favours the employers - there is no legal mechanism whereby employees can contest closure. The situation is different in NHS where the CHC, representing patients' interests can appeal to the Secretary of State.

Employers make take further measures to ensure that the closure goes ahead, especially if they anticipate or face resistance. One strategy might be to fragment workforces either within one factory or between two or more factories. This happened at Imperial Typewriters when Litton Industries (the employers) capitalised on the divisiveness between the workforces at Hull

and Leicester. This prevented the Hull workers from enlisting the support of the Leicester workers when Litton Industries closed their factory (Clarke, 1979). Beynon (1978) has pointed out how the workers at the Speke (Liverpool) plant in British Leyland (BL) were isolated and divided by management. The closing of the plant meant that the work would be transferred to the Canley factory in Coventry and so, the Canley workers had a lot to gain from the closure. This, coupled with the geographical distance between the two plants, effectively boxed the Speke workers off from support from the Midlands car plants. Beynon also argues that a strike was provoked by management, with the closure being announced in the 17th week of that strike. This, argues Beynon, meant that workers were not in regular contact with each other and were, consequently, in a difficult position to organise immediate resistance.

Such strategies as those described above are overt - they are designed to deal with, or prevent opposition. Unobtrusive strategies will involve legitimising the closure in the eyes of the employees and the world outside. This might involve stressing how rational, necessary or inevitable the closure is. It might include casting doubt on the credibility of any opposition movement by arguing that it is irresponsible. Management may take steps to promote their own credibility by consulting employees and unions, by stressing their concern, by offering generous compensation. The ability of managers to

justify their decision and demonstrate their concern will depend upon such factors as the history of industrial relations, the reputation of the firm, the culture of the organisation and attitudes of employees, the economic climate and the visibility of the reasons for closure. Managers may use symbols, myths language and rituals in their attempts to secure legitimacy and credibility.

Opposition groups may have recourse to overt sources of power. The most common means of preventing closure has been the use of the occupation both in factories and hospitals. These prevent owners from dismantling the factory and selling off assets (Hemmingway & Keyser, 1975; Greenwood, 1977). Between 1971 and 1975, there were over 200 factory occupations in the UK. Some led to the founding of the new worker co-operatives such as Upper Clyde Shipbuilders (UCS), Meriden, Scottish Daily News (SDN) and Kirkby. See Clarke (IWC 42), Eaton et al (IWC 25), Buchan (1972), Thompson & Hart (1972), Coates (1976), Greenwood (1977), Bradley (1978). Hospital occupations have included those of Elisabeth Garrett Anderson, Bethnall Green, Plaistow and Hounslow hospitals, among others.

It has been argued that strikes and stoppages are ineffective in closures because the market power of the workers is non-existent (Pizzorno, 1978). However multi-plant organisations might be transferring production from the closing plant to

another factory. If so, the company will be vulnerable to disruptions before production is transferred. Company-wide strikes, including the surviving plants, will have a considerable impact on the company. It has been argued that this is the only type of action to prevent closure

"there is no way that it is possible to resist a closure on the basis of one plant" Lane (1981) p 26.

Unobtrusive strategies will revolve around delegitimising the decision to close, often arguing that it is morally or economically wrong.

When considering the strategies used by opposition groups, it is also important to examine how and why that opposition arose (Gavents, 1980; Saunders, 1980).

(v) What leads to powerlessness?

Some groups may be disadvantaged vis-a-vis closure as a result of systems which have evolved over many generations but for which specific groups cannot be held responsible. One example of this concerns the public policy on redundancy. Fryer (1973) argues that it promotes the idea that redundancy is the prerogative of management and, as such, it is justified.

"In Britain, however, the implicit assumption in manpower policy has continued to be that redundancies are necessary and desirable as and when management should decide" Greenwood (1977) p 1.

Another example might be the culture of the firm. Martin & Fryer (1973) studied redundancy in a firm with a culture of paternalism. The resulting deference among employees meant that resistance to the redundancies was never really contemplated.

The characteristics of the workforce might make them more or less predisposed to opposition. It has, for example, been argued that women workers are less likely to contest redundancy because they are not attached to work as a career (Barron & Norris, 1976). Wood & Dey (unpublished) have argued that although women value their jobs, they do not appear to value specific employments and so may accept redundancy if they can go to another job. On the other hand, Hardman (1975) presents a case-study where women, obviously strongly attached to their jobs, fought closure by forming a co-operative.

(vi) Does the environment act as a constraint?

In some cases the environment can act as a total constraint, for example, in the case of a small firm going bankrupt, the whole closure will be dictated by economic criteria.

(vii) What effect does the wider environment have?

Societal characteristics may have a general effect on the way closure decisions are received. Gallie (1978) has pointed out

that workers tend to be more radical and revolutionary in France due to differences in the process of industrialisation. Lane (1981) notes that, in Italy, unemployment has always been a trade union concern, whereas the focus in Britain has tended to be on wages and conditions. Consequently, Italian unions are far more sensitive to and prepared for threats of redundancy.

Societal values may be another source of influence. Inglehart (1977) has documented the content of and changes in societal values in the post war era and has posited a theory for explaining these changes. Pettigrew & Bumstead (1981) and Pettigrew (forthcoming) are able to link changes in societal values and the economic context to strategies of legitimation used to justify organisational changes in a large UK chemical company between 1965 and 1981.

It may be possible to demonstrate that general attitudes to closure have changed since the early seventies when there were a large number of factory occupations in protest against closure decisions, and when the worker co-operatives were founded. Today, a superficial glance indicates that, despite a significant increase in the number of closures and redundancies, they are more readily accepted. It has been suggested in the press that increasing unemployment has put unions in a far weaker position to fight closure. This

hypothesis - that unemployment reduces the bargaining position of unions - does have a theoretical base in the work of economists Eagley (1965), Scitovsky (1978), Rowthorne (1980).

There has been relatively little research into the impact of the wider environment on attitudes to closure and this issue will be discussed in more detail in chapter 10.

It is a central postulate of this work that the framework and three-fold level of analysis, suggested in this and the previous two chapters, has some relevance for the question of closure. This has been indicated by the brief examination made in this chapter. A more detailed investigation will be made on the basis of the empirical data from the four case-studies.

Chapter Five

THE METHODOLOGY

The choice of methodology in the social sciences generally and in organisational behaviour in particular has become problematic.

"The hope which originally inspired methodology was the hope of finding a method of enquiry which would be both necessary and sufficient to guide the scientist unerringly to the truth. This hope has died a natural death" Watkins (1959) p 503.

There is no such perfect methodology. Those that exist tend to produce different kinds of data and perform different functions (Mintzberg, 1979). This has led to a debate over which methodology is appropriate to a particular piece of research. Confusion over this has been compounded by the different opinions concerning the role of social science. Some see it as a branch of pure science, resting on methodologies which allow a high degree of scientific rigour in testing hypotheses and theories. Others emphasise the idiosyncracies of the social world, arguing that if social science is to understand them, it has to rely on the "soft" methodologies which allow researchers to gain insights and understanding. As a result of these conflicting tensions, social scientists are in the position of having to justify and vindicate their particular choice.

The Debate between "Hard" and "Soft" Methodologies

In the past, social scientists have often emphasised the place of social science alongside the pure sciences and, for this reason, the goal has been to establish increased scientific rigour. Since the late 1930s particularly in America, sociologists have been developing more systematic and sophisticated methodological procedures to test, prove and verify hypotheses with this aim in mind (see Glaser & Strauss, 1967 for a discussion of this). The result has been that such social scientists have tended to concentrate on those aspects of social life which are most amenable to quantitative methodologies. Consequently, the tendency has been to focus on structural matters rather than the more complex issues of process (see Pettigrew, 1973; Van Maanen, 1979).

This approach has met with increasing criticism. It has, for example, been suggested that for these social scientists, methods have become ends in themselves (Filstead, 1970). They have also been accused of over-simplifying and abstracting their subject matter, leaving their theories and hypotheses of dubious ontological status (Burns, 1967). They have been condemned for failing to address the complex issues and processes of the real world (Mintzberg, 1979).

It has been suggested that these complex issues require a

more qualitative approach. Methodologies which provide investigators with meaningful insights by delving more deeply into social and organisational life are necessary to examine the intangible aspects of process (Loffland, 1971; Pettigrew, 1973; Mintzberg, 1979; Van Maanen, 1979). Such methodologies are more commonly associated with the generation rather than the verification of theory, particularly in relation to new areas of research where pre-defined concepts and operationalisations are not available:

"I was not driven into the field with a neatly labelled and rigidly constructed set of hypotheses and operational definitions. Such an approach would have been unsuitable, given the little that is known" Pettigrew (1973) p 55.

On this basis the choice of a qualitative methodology was essential: the research was in a new theoretical field (unobtrusive power) and in a relatively unstudied substantive area (closure). Pre-existing and clearly defined concepts were not always available. A quantitative approach would have suffered from not knowing exactly what to measure. In addition to this was the fact that the research was concerned with the intangible and partially hidden aspects of a political process which a quantitative approach would have been unable to uncover.

The Methodology

As has already been indicated, my choice of methodology has been qualitative, by which I mean that an unstructured, investigative approach has been adopted to provide in-depth data in the unfolding of political processes. The corner-stone of the approach has been the use of informal interviews. This was supplemented with evidence from written and documentary sources and the use of various unobtrusive measures.

Unstructured interviews provided an invaluable opportunity to strike a balance between pattern and flexibility. A checklist of questions and issues formed the basis of the interviews, providing regularity and patterning. This allowed theoretical themes to be pursued and comparisons to be drawn. At the same time, however, new issues and concepts which arose out of previous interviews and the literature, could easily be followed up. This flexibility proved indispensable in allowing the final theoretical framework to emerge out of the data.

A second step in the formation of the theoretical framework was the final analysis which occurred after the data had been collected. All the data had been retained and was re-processed at this stage. (The retention of the data was made possible by using a cassette recorder to tape all the interviews.)

Analysis was, in effect, undertaken twice - during and after interviewing.

As a result of this approach, data collection and analysis were inextricably linked. Even at the stage of the final analysis, further data collection was undertaken to fill any gaps. It was through such a flexible process that the nuances of unobtrusive power came to light. The theory was grounded in the data - it has emerged out of it, rather than being imposed on it (see Glaser & Strauss, 1967).

This is an important issue in qualitative research, where social scientists may be charged with forcing preconceived theories onto malleable data. This was not the case here because I entered the field with relatively little structure, the final framework genuinely arose out of the data.

There is another problem with qualitative research concerning the accuracy of the information received as a result of such methods. It is often argued that interviewers are vulnerable to the deliberate falsification of information or, at least, subconscious bias on the part of their respondents. This can, to a great extent, be overcome with the use of multiple methods. Interview material can, for example, be checked against documents and records (Weiss & Davis, 1960). This was an important aspect of my own work -

documents, records and other written evidence were made available by a number of different groups. At Mountside, management had compiled a diary of the closure, written while it was taking place. Divisional management allowed me to see some reports of other closures, and stewards and officials allowed me access to their own documentation. Andersons managers provided me with relevant memoranda, reports and letters from their files, as did stewards and union officials. One of the consultants showed me his own report on the closure. At the two hospital closures I was able to examine management, AHA, CHC, and union files.

Another source of data came from unobtrusive measures (see Webb et al, 1966; Webb & Weick, 1979). The examination of government statistics, local employment figures, personnel statistics, newspaper articles and Hansard were used to both check and supplement interview material.

The triangulation of these methods proved invaluable in a number of ways. It provided opportunities to check the accuracy of the interviews. It provided additional data and it provided contemporary information, whereas the interviews were conducted retrospectively.

A further imperative of interviewing is to ensure that all the relevant interest groups are represented. This not only

provides the chance to check that the information received from the various groups is consistent, but it also provides a wealth of different perceptions, opinions and insights that form an important data base in the analysis of a social process.

I took steps to ensure that all key individuals (ie those individuals who played an active role in the closure) and a selection of passive individuals (ie those affected by closure) were interviewed. At Mountside, for example, I interviewed the works manager, the assistant works manager, personnel managers and other local managers, HoDs, and divisional managers. On the union side, senior stewards and officials from NUGMW, AUEW, EETPU, UCATT and the Boilermakers' union were seen. Ex-employees and redeployed employees from staff, general and craft groups were also interviewed. At Newlands I spoke to UK Directors, local managers, local and national officials and stewards from TASS, AUEW and the Boilermakers' union. Staff and manual workers, both redundant and working at Merryvale were interviewed. In addition to this, one of the consultants, three of the university research team and the Chief Executive of the local council granted interviews. At the two hospitals I saw the chairman and some members of the AHAs, members of the ATO and other local managers, CHC secretaries, doctors, and officials and stewards from NUPE, COHSE and NALGO. At Northville I spoke to members of the

Action Committee and at Midville, staff who used to work at Withybrook.

The Nature of Historical Explanation

Historical, qualitative methods such as those described above have often been subjected to criticism concerning their internal and external validity. The former refers to the accuracy of the information acquired by such methods as interviewing. This issue has already been discussed above, where it was argued that by using other methods and interviewing all the relevant groups, information could be satisfactorily checked. It was also pointed out that in research involving processes and politics, disparities in perceptions and opinions are often an important source of data in themselves.

Another issue which has to be addressed concerns the question of external validity - whether the findings of one particular piece of research can be generalised to other situations. This is, in terms of qualitative methodologies, a particularly pertinent matter because it attacks the very nature of historical explanation. Critics question whether the information derived as a result of such measures constitutes explanation and analysis, rather than mere description. This opinion stems from the view that "sciences" based on the

historical method are ontologically distinct from the pure sciences. There is, according to this view, no scientific explanation - events stem from the thoughts and desires of individuals which can not be predicted with any certainty (see, for example, Collingwood, 1959, 1965; Watkins, 1959).

This view has, however, been contested by a number of individuals (see, for example, Gardiner, 1952; Hempel, 1959; Frankel, 1959). who argue that causal explanations can be established in history and sociology, in addition to the description of individual actions.

"Historical explanation, too aims at showing that the event in question was not 'a matter of chance', but was to be expected in view of certain antecedent or simultaneous conditions. The expectation referred to is not prophesy or divination but rational scientific anticipation" Hempel (1959)
p 348-9.

This describes explanation in history, the social sciences and the pure sciences - the differences are a matter of degree not ontological status.

The function of the social scientist, then, is to establish the nature of the conditions which give rise to the event or outcome in question and to ascertain the relationship between them. The starting point of this procedure will be the description of the phenomena in question (as indeed it is in the pure sciences). This is a necessary but not sufficient part of the process - following this the scientist is able

to abstract patterns and processes which enable the formulation of generalisations which stand on their own as theoretical statements, regardless of the substantive area which gave rise to them. Thus, the scientist is able to generalise from one situation to another.

It would, perhaps, be foolish to think that the social sciences are governed by the neat precision of the deterministic relationships of the pure sciences (Berlin, 1959; Hempel, 1959). It is here that the differences between the two types of science lie - in the degree of precision which can be expected from an explanation.

"It is artificial and misleading to suggest that explanations in history represent sequences of events as instantiating cases of laws which can be exhibited tidily and comprehensively and for which there exist precise rules of application" Gardiner (1952) p 96.

Hempel (1959) calls the type of explanation found in the social sciences explanation sketches because of the gaps which exist. However, the sketch, in addition to providing an explanation, also states the gaps and the nature of future research necessary to fill them.

"A scientifically acceptable explanation sketch needs to be filled out by more specific statements; but it points to the direction where these statements are to be found; and concrete research may tend to confirm or to infirm these indications ie it may show that the kind of initial conditions suggested are actually relevant, or it may reveal that factors of a quite different nature have to be taken into

account" Hempel (1959) p 351.

Such a philosophy characterised this research. Explanation for the events in the case-studies has been given in terms of unobtrusive power. This theoretical framework can be generalised to other situations. The task of future research lies in establishing which types of situation are conducive to this framework and how appropriate or useful it will be. Thus, the explanations offered provide an acceptable explanation sketch, notwithstanding the gaps which exist.

PREFACE TO THE CASE-STUDIES

The following four chapters comprise the individual case-studies. They are intended to be descriptive rather than analytical (although some analysis inevitably takes place) in order that readers may familiarise themselves with the events and actors involved before they are confronted with the analytical chapters. In this sense, the information provided here constitutes the evidence for the the conclusions drawn in subsequent chapters.

Chapter Six

CAMERONS

The first case-study concerns the closure of a factory in the North-West. The factory, known as Mountside Works, is a production site in one of the divisions of a large British-based multi-national, known here as Camerons. Mountside Works is situated in a large city in the North-West, on a site adjoining divisional headquarters. The works manufactured a large number of chemical products, most of which were intermediaries and sold to other sites in the division and outside the Company. There has been a long history of chemical production at Mountside - chemicals have been manufactured there in one form or another for 100 years and the Company has been involved for over 50 years.

In 1975, the divisional chairman announced that Mountside Works would close in five to ten years time. This decision can be traced to a number of events. Firstly, the last piece of major investment on-site had been in 1952 and, although maintenance work had been undertaken, the works and the equipment were old. Secondly, in 1971, the divisions had been reorganised and the nylon business, previously a big moneyspinner for this division, had been moved elsewhere. The removal of this piece of business highlighted the difficulties being experienced in the

remainder of the division as profits had begun to fall. With the inception of a new divisional chairman in 1971, studies had been undertaken to improve profitability by eradicating and rationalising the products which were losing money. A further problem was that the division was competing with European chemical manufacturers working from a small number of highly complex integrated sites. This division, on the other hand, had ten production sites and so, the rationalisation of these sites became a priority. Mountside was not a good candidate for survival. It was wedged in between divisional headquarters and a hospital, with little room for expansion. It was situated in a built-up area, and with its ageing plant, costs of modernisation would have been high. These problems become even more apparent when it is realised that there were large integrated sites elsewhere in the division which, in the eyes of one divisional manager, were the "obvious places to concentrate production".

In 1975, then, the divisional chairman gave a somewhat vague statement that Mountside and two other sites had a life expectancy of five to ten years. Following this announcement the assistant works manager (AWM) embarked on the construction of a closure plan. This detailed how the numerous products and businesses should be run down. Alongside the business plan was a "people plan" which stated how many people would be needed, of what skill, for how long. The plan was to take five

years to marry both business and people needs. Business needs required a gradual rundown because some products were being transferred to other sites where new equipment and facilities had to be built. In the meantime, Mountside had to keep on producing. People's needs also dictated a gradual rundown so that the release of 1,000 employees could be dispersed over a number of years. In addition to the rundown plan, working parties were set up to establish individual needs, key personnel, communication and retraining requirements during the rundown.

A year after the first announcement, in March 1976, a second announcement was made stating that Mountside Works would close by the end of 1980. The works manager John Oppen, made a presentation of the reasons for closure and details of the rundown to managers, supervisors, shop stewards and elected representatives who, in turn, passed the information on to the workforce. Union officials were informed by letter.

The initial announcement in 1975 does not appear to have aroused much consternation. This is probably because five to ten years is a long time anyway and, secondly, the Company had a reputation for announcing the closure of sheds which had then taken many years to close.

"The lack of an emotive reaction to the 1975 announcement was not surprising. Staff had become accustomed in recent years to hearing bad news about some part

or other of the works business and had already suffered the closure of four manufacturing sheds as part of divisional rationalisation - and 5-10 years was still something vague and indefinite in the future. There was always the possibility of a change of heart!" (managerial report on the closure).

The reaction to the 1976 announcement was somewhat more definite - employees were confronted with a detailed closure plan which undoubtedly brought the news home to most people.

"The availability of the closure action plan in early 1976 provided the means of driving home the message of works closure in unmistakable terms" (managerial report).

The shop stewards immediately began to think of fighting the closure. They contacted their local officials and the local MP. In June 1976, Oppen gave a presentation to the local union officials. This explained the reasons behind the closure, showed how the rundown would be effected and described what provision was to be made for employees in terms of redundancy compensation and redeployment opportunities.

After the meeting, the local officials passed the matter up to their national officials* to see if anything could be done to prevent the closure. This is the normal procedure in this Company

* The main unions involved here were NUGMU and AUEW, followed by EETPU, UCATT and the Boilermakers' union.

- if "failure to agree" occurs at a particular level, the matter is passed up. In November 1976, the local officials had another meeting with Oppen in which it was said that the national officials were satisfied with the Company's reasons for the closure and that nothing could be done to prevent it. The local officials then said that they intended to play no part in local negotiations which would be left to the shop stewards "to get the best deal they could for their members". The stewards could, of course, call them back in if they could not agree with management on any particular issue. This effectively marked the end of any talk of resistance on the part of the stewards.

Meanwhile the work went on with the rundown process. The process had, in reality, started many years before. Oppen had been appointed as works manager in 1971. His predecessor had been a particularly authoritarian type of manager who had run a tight ship. The Company had, however, introduced a new wage scheme in 1969-70 which, effectively, gave the workers more responsibility for their jobs (a type of job-enrichment). This was accompanied by a move towards extended joint consultation and a more progressive and democratic style of management. As a result, change had occurred throughout the Company. Not so at Mountside where the authoritarian atmosphere persisted under the works manager. According to the managerial report of the closure, the new wage scheme and joint consultation

had led to a certain amount of shock and trauma, particularly among junior managers who had not undergone the behavioural science training which underlined these schemes. The existing works manager , with his more traditional disposition, had proved unable to introduce the necessary changes at Mountside.

After a three month period with an interim manager, Oppen took up his appointment as works manager. He immediately began to to effect change at all levels in the culture of the works. This involved getting the heads of department (HoDs) to work together, bringing supervisors, who were particularly demoralised as a result of the new working responsibilities, and managers together and eventually involving shop stewards as well. To help to achieve this residential courses were arranged for managers and supervisors in 1974, bringing in stewards in 1975.

Oppen maintains that he would have introduced these changes in any circumstances in order to improve working relations and to bring the works into line with the rest of the division. Furthermore, the interim manager had already initiated some changes before he took over. Nevertheless, when Oppen was appointed, he was aware that

"in all probability my job was going to be to close those works".

and so, the culture change became a necessary foundation for the closure.

In 1976, having established the groundwork enabling stewards, supervisors and managers to work together, Oppen began to focus more explicitly on the closure. In December 1975, a HoD had been appointed as redeployment manager - to deal with the problems facing those who wished to be redeployed. By mid-1976 a Redeployment Steering Group (RSG) had been set up with the redeployment manager, personnel manager, assistant personnel manager, three craft stewards and three general worker stewards. This was a problem-solving group, not a negotiating body, whose aim was to indentify problems and make recommendations to the works manager who would then take the final decision.

The RSG had been set up to include the stewards in the rundown, as an extension to the normal joint consultation process, and to deal with the particular problems of redeployment. In 1975 questionnaires had been sent out to employees and these indicated that 83% of employees wanted to remain with the Company, while only 17% wanted to take severance. As it turned out, however, only 37% of manual workers and 44% of staff actually opted for redeployment. The problem of the RSG consequently became one of how to effect redundancy rather than how to achieve redeployment. It turned out that many people wanted to leave and take severance terms before their unit or job had finished and the RSG was often concerned with finding alternative arrangements so that people could leave

with terms but without jeopardising the business plan. The reason for this change of heart among so many employees was, undoubtedly, the severance terms. When asked in the questionnaire, employees had no notion of how much money they would be entitled to. By 1976, however, they could find out exactly how much they would qualify for, and the vast majority were tempted by terms which were around three times the legal minimum. Furthermore, those over 53 years found that they could take early retirement if they so wished, and in 1978, a payment in lieu of notice was introduced which, in the case of some workers, added a tax-free sum of £1,000 to their redundancy compensation.

The people I spoke to do not appear to have been unduly worried about the closure, at least after some initial uncertainty. They pinned a lot of faith in the Company's statement in January 1975 which had promised that enforced redundancies would occur only as a last resort. Most were satisfied that they would not be "thrown out on the streets". Virtually all were happy with the redundancy terms, especially the older members who would also qualify for their pension. Many harboured ideas of getting a part-time job which, in addition to their pension, would bring in as much money as they had been earning. The Company also provided help for people trying to find new jobs. Retraining schemes were available free either within the Company, or outside courses such as heavy

goods vehicle driving courses. A "job shop" was set up with vacancies posted up and news of successful redeployments. Help was also given to those going for interviews for which time-off was allowed with no loss of pay.

Another aspect of the closure was the extent of communication. Everyone I spoke to felt that they knew exactly what was going on. Oppen believed that up-to-date information was crucial and had devised a weekly bulletin which was available in news sheet form and by dialling a number on the internal phone. The news was updated weekly, which was considered important if people were to use it regularly. Cascade communication was reserved for important announcements.

The RSG involving the manual unions seems to have been quite a success. The stewards concerned felt that they played an important role by being a member of it. Oppen felt that it enabled management and workers to identify problem areas and offer constructive solutions. Individual workers knew they had a mechanism whereby they could air any personal grievances.

The staff situation was somewhat different. On the whole, members of staff were dealt with on a more individual basis and representatives were only involved if specifically asked for. A staff RSG was set up but it was not very successful. It was not established until 1978 and the staff representatives expressed dissatisfaction with the choice of redeployment

manager (who found firm favour with the manual RSG representatives and individual members of staff). In view of these problems, the staff RSG had disbanded by the end of 1978.

The staff position was also significantly different to that of the manual workers in terms of union power and recognition. By the start of the closure only ASTMS had gained official recognition.

"At the time of the closure we'd only just really started to get properly unionised" (ASTMS representative).

Furthermore, staff employees were less militant than their manual counterparts.

"You couldn't ask union members to do anything - they'd run a mile" (ASTMS representative).

Due to the inexperience of the representatives and the ambivalent attitudes of their members, many of whom preferred the personalised approach, attempts to deal with staff collectively were doomed.

"The relative inactivity of staff unions in the closure process compared with the activity of the manual unions was affected by the timing of the closure relative to growth in staff unionisation and the progressive involvement in negotiating rights There was a lack of support from the staff themselves for their union to be involved at the late stage of 1978 when it was clear that redeployment and other problems were being handled by managers, including the redeployment manager, in a way that satisfied most staff (report).

This position was compounded by the fact that management

was less convinced of the desirability of dealing with the staff unions in the same way as they did the manual unions

"Works management's view is that the need for the establishment of a similar steering group for monthly staff was doubtful" (managerial report).

Why was there no resistance?

Mountside represents an example of where a company has successfully engineered a peaceful closure. The complicated closure plan was carried out almost to the letter and the works was closed in 1980. There was no industrial action against the closure and initial discontent was limited to calling in the local officials. Furthermore, no-one I spoke to was really bitter about the Company or the closure. Many expressed regret at seeing the place close, some were having to adjust to new jobs although most were quite happy with their new positions. One man, waiting to take terms and early retirement, said he would be upset if he now heard that the factory was not going to close. So, how was all this achieved?

Key People

One of the most significant factors was the appointment of John Oppen to manage the closure. He was selected with a possible closure in mind, and for his ability to introduce change generally. He was a "progressive" manager himself and was

anxious to introduce a change in culture for its own sake. Everyone I spoke to greatly respected Oppen and credited him with a lot of the success. All the stewards I interviewed thought he had been very helpful. He

"bent over backwards to see things were going right" (steward).

"He did a great job" (steward).

Even a steward who was very upset about the closure and the lack of opposition to it, respected the part played by Oppen. A manager who personally disliked Oppen still saw that he was the ideal choice for the job.

"He was a pretty hard guy but came over as very compassionate. That was an ideal combination" (manager).

One steward pointed out his ability to get people to agree to things they did not like. Others stressed that, had the closure been conducted by the previous works manager, it would have been a disaster with a distinct possibility of resistance.

Oppen

"was by far the most significant person in the closure. He decided the philosophy based on a background of behavioural science interest and training over many years. This was even more important in Mountside Works because this has tended to be a fairly autocratic outfit; very efficient, very cost conscious but the wrong sort of attitude for a closure"

This was the comment of a senior manager, renowned in the works and admitted by himself to be a member of the autocratic school.

Oppen himself had to select key personnel, the most important of which was the redeployment manager - a well-respected HoD who had spent 30 years at Mountside. He was popular with the stewards and with individual members, although the staff representatives I spoke to thought he was a bad choice. The appointment of this post is also interesting because it had been in the mind of Oppen for some time when it was mentioned by the stewards. As a result, Oppen appeared to appoint a redeployment manager in direct response to the stewards' demand.

The Culture Change

Oppen's first actions were to initiate the culture change in general terms, which later became more focussed around the specific issue of the closure. Mountside was one of the first closures undertaken by the division and, as such, experience was limited. The Company did, however, have a great deal of experience in change programmes following the introduction of joint consultation and the new wage scheme. The closure and the preceding culture change were treated very much as any other change programme and so Oppen was able to draw on his own experiences and those of the Company. Furthermore, a little had been learnt from the closure of a site in another division and from the previous shed closures at Mountside.

All the stewards I spoke to were aware of changes in management style, although this had not always permeated down to the ordinary members of the shopfloor. Stewards, however, felt that management was the type that did not go in for confrontation, but which was willing to spend time talking. Members of staff perceived managers as "friendly", "willing to talk", "willing to listen" and as being the type of people whom one could approach directly with any problem.

Managers were also aware of the culture change - of the autocratic nature of the previous regime (many pointed to its efficient nature) and the more relaxed atmosphere under Oppen which, many conceded, was necessary to the handling of a sensitive issue like closure. The managers I spoke to felt that if the old culture had persisted, resistance would have been far more likely. They felt that the changes had been worthwhile and that industrial relations had improved.

"I just can't see how we would have tackled the closure successfully in the old culture" (Oppen).

The new culture had the effect of setting the right climate for the closure. It enabled managers, supervisors and stewards to work together before they were confronted with

the particular difficulties of closure. It established

"the right environment from the beginning, or even before the beginning, which is extremely important" (redeployment manager).

This meant that trust between the different groups existed and could be built on, so the stewards could be brought into the discussions and consultation to play a constructive role.

One manager argued that the stewards were extremely flattered by this invitation, having been ignored for so long under the previous works manager, they were overwhelmed with their chance to enter into discussions with management.

This foundation building was important in practical terms. In the early days of joint consultation, stewards were inexperienced and managers were suspicious. A period of "practice" was necessary if consultation was ever to be productive.

Ironically, as well as consultation helping the closure, the closure helped consultation:

"in the early days we didn't know what we had to do we had all sorts of minor issues but nothing to get your teeth into. When we had a closure there was something to go at and I believe the whole thing developed because we had a very real problem" (Oppen).

This development and improvement in industrial relations was perceived by managerial and steward groups as they began to work together and not against each other.

The culture change and the improvement in working relations laid the basis for the (manual workers') RSG which played a significant part in the closure. The terms of reference meant that it functioned as a problem-solving, rather than a negotiating, body and virtually all issues and disagreements were resolved through its recommendations to Oppen, without recourse to formal negotiation. Oppen's credibility meant that stewards respected his right to say "No". The fact that he sometimes said "Yes" meant that they felt they were playing a meaningful part in the proceedings by winning some concessions.

The stewards on the RSG appear to have worked together well. There had always been a traditional divide between general and craft stewards but the closure saw them working together. Certainly management saw them as a united front, although the stewards themselves were more aware of their differences in interest. Their unity is quite an achievement as the rundown often had very different implications for the two groups. For example, general workers were often tied to a particular unit and could not, therefore, be released until that unit was closed down. Craft workers usually provided a service for the site as a whole and, as it contracted, those who wanted to could leave - one electrician or carpenter can cover for another whereas a security man could not cover for a process worker and, often, process workers from different sheds were not inter-

changeable.

From the stewards' point of view the RSG was a complete success. They felt they had won concessions which they otherwise would not have got.

"I know we changed things" (steward)

Many managers felt the same.

"We gave the shop stewards a certain amount of power, and it was a power, no doubt about it. Some of the HoDs thought we gave them too much power at times" (redeployment manager).

Oppen agrees with this. He refers to the "Works Manager's Concessions" which he made. One year, for example, he allowed those workers who wanted to leave early to go to another job, to go early with terms. The next year he discontinued this practice but the stewards, in return, won payment in lieu of notice which, in some cases, meant an extra tax-free lump sum of £1,000. As Oppen admits

"I was certainly being much more liberal with the Company's money than a manager in a normal situation. But I reckoned that it was my job to get it closed without any upset"

The RSG represented the forum in which the stewards were able to press for these concessions, making them feel that they had played a significant role in serving the interests of their members. It also was the mechanism whereby management were made aware of the demands of the workforce and, in some cases, were able to satisfy them.

The Power of the Stewards

The stewards felt that they had a certain amount of power within the context of the RSG, to win a better deal for their members. They did not, however, feel that they could have prevented the closure, or that industrial action would have afforded them any benefit.

"They would have laughed at us if we'd gone outside the gates. They wanted to close it and you're doing it for them" (steward).

The stewards felt that they were limited in the action they could take. They had seen the local MP who did raise the closure in a question in the House of Commons, but only in terms of the general employment situation in the North-West and not with much specific attention to Mountside. The stewards contacted the local press but only three short articles appeared in local papers, nothing in the nationals. The stewards expressed a certain amount of resentment at (in their opinion) the Company's ability to keep things out of the papers. A sit-in was not seriously considered and, in any case, was not feasible in a chemical works without technical supervision. A national strike might, according to the stewards, have prevented the closure but support from other sites was considered unlikely. Some stewards were even dubious about support from their own members

"People don't want to go outside the gates. They don't even want to lose overtime" (steward).

"There was no real desire to fight it from the outset" (steward)

There was a definite lack of motivation and support from the shopfloor for action against the closure. There are a number of reasons for this. The original announcement was greeted with disbelief because they had "heard it all before" and because the timescale was so vague. By the time the employees were confronted with the second announcement, the details of the rundown process were already worked out and it was probably too late to do anything. A second reason revolves around the statement on no enforced redundancy (except as a last resort) made earlier. Workers pinned a lot of faith in this and were not worried about suddenly losing their jobs. They knew that they had plenty of time to look for new jobs if they wanted them.

"We knew we wouldn't be turned out onto the streets" (general worker).

The Company had a good reputation for dealing with its workers, who felt that they were being well looked after. They considered that they were well-informed and that the Company was doing its utmost to accomodate their wishes. They probably felt as secure as they could in an essentially uncertain situation.

The generous redundancy terms were another reason why many employees were loathe to resist the closure. The money was an attraction many could not refuse.

"The existence of those terms was probably the biggest single factor in preventing real trouble. Most people, I guess, have decided to take their money and go"
(HoD)

For older employees this was probably a wise move - they would collect a lump sum, qualify for their pension and get out of the chemical industry.

"I reckon that with the money I get plus my pension I'll be able to take a part-time job - four hours a day - and I'll still have as much income. So, instead of beating my brains out working eight hours a day, five days a week and sometimes more, I might live a lot longer and have a reasonable standard of living" (employee)

Many employees, once they had the details of the severance terms for which they qualified, were not averse to the closure. For many the money was a strong attraction. This was all the more so for a workforce which had a high number of older, long serving employees who qualified for higher rates of compensation.

Another factor which mitigated against resistance was the reasoning behind the closure, which appears to have been accepted by employees and union officials alike. The reason that everyone latched on to was the environment - the works was situated in a built-up area, beside a hospital - not only was there no room for expansion but it was wrong to think of

making chemicals with so many people around and with the possibility of an accident.

"Everything was explained and it was found to be sensible, such as the hospital right on the perimeter of the works. When it was explained about the environmental problems, to even think about putting chemical products here wasn't common-sense" (steward)

This reason, although by no means the most important in determining the closure, was the one senior management tended to use. This was not true of Oppen who insisted on trying to explain the whole gamut of reasons behind the closure of Mountside.

"I think most people tended to latch on to the environment bit of the argument - but it was only part of it and secondary" (manager).

Another reason that was connected with the environment and easily accepted was the age of the plant. It was clear to anyone who saw the factory that the works was old and much of the equipment out-dated. Many stewards felt that the cost of modernisation was prohibitive and that they should have realised earlier that the eventual result of no investment is rundown and closure. This line of thought probably stemmed from the fact that the Company had recently introduced a Business Committee for the stewards where they had become aware of investment policies and their implications. (This has some interesting ramifications - if this committee is

successful, stewards may anticipate future closures and so be in a better position to fight them.)

The result of this reasoning on the part of the stewards and the employees justified the closure. Management supplemented this by explaining the difficulties and problems underlying the decision. The real reasons, revolving around the rationalisation of the division, appear to have been too complex in most cases for employees to comprehend fully. Nevertheless, the closure decision was accepted mainly on the basis of the environment. This not only justified the decision but delegitimised action taken to prevent it - it was wrong to build a chemical works in a built-up area, so close to a hospital. The Company's mind was made up, justifiably so, and nothing could or should be done to change it.

The feelings of the workforce, the lack of available courses of action and the acceptance of the closure decision resulted in stewards perceiving that there was very little they could do to prevent the closure. In effect they perceived themselves as powerless. Their only hope lay with the local union officials. The officials, however, did nothing and accepted the closure, telling their stewards to handle it as best they could.

"It was told to us in no uncertain terms by the union officers that due to environmental problems and the age of the plant that it had to close. We were

told then that there was nothing more we could do except get the best possible terms for the employees" (steward).

The stewards were all too aware of what this abdication meant.

"If the union officials were like that what chance did we stand" (steward).

"I was very disappointed in their attitude. It was more or less an attitude of 'Oh well, there's nothing we can do about it lads so get on with it and get the best terms you can for them that have to go.' I thought it was very irresponsible for a union official to say that. Perhaps we wouldn't have won anything if we'd fought it but we might have done better than we've done today" (steward).

The actions of the union officials left the stewards on their own, incapable of preventing closure and possibly even too inexperienced to take advantage of any opportunities for improving the closure terms that existed. The concessions that the stewards did win were probably due as much to Oppen's frame of mind about spending money to ensure a peaceful closure, as to their own negotiating and bargaining skills. Union involvement might have led to a better overall redundancy package.

The stewards perceived themselves as powerless, divisional management, however, was rather more apprehensive. They were anxious that the closure went ahead quietly.

"The Company takes the view that it really isn't in our interests to handle any one situation in a way that gives serious offence to the rest of our population. The total Company population needs to feel that although the Company will not

jib at going in for change when it is necessary, it will handle it in a reasonable way" (divisional manager).

Oppen was left in no doubt about his responsibilities:

"Throughout the whole thing it was made very clear to me that my job was to contain it because if anything went wrong with the closure - whether it was a strike, or a big hold-up, or a disruption of any sort - it could very readily spread to the rest of the division with economic disaster".

Divisional management was worried about the possibility of trouble at Mountside and, more importantly, the prospect of this spreading to other sites in a division which was already experiencing economic problems. Furthermore

"there was concern that it shouldn't go wrong because there would be others that would have to be closed" (Oppen).

The fact that products were being transferred to other sites meant that management was anxious not to lose production before the transfers were completed. In other words, Camerons was vulnerable in a number of areas. Firstly, a strike at Mountside could disrupt the production of surviving businesses and hence lose customers. Secondly, the spread of action would be very damaging to the division as a whole. Thirdly, it was important that this closure went quietly because of the prospect of other closures in the future.

It is difficult to say whether, had the stewards realised the vulnerability of the Company, they could have exerted enough pressure to prevent the closure. It is clear, however,

that, with union support, they would have been in a far more powerful position.

"What the stewards and officials wouldn't have appreciated is how worried the Company was that the closure shouldn't go wrong. Because the Company was worried if the officials had made a big thing of it and said 'Fine, you close a works down but we're going to negotiate something special for that' the Company would have negotiated so as to prevent trouble and the possibility of it spreading and affecting our business" (senior manager).

Oppen was particularly worried about the local officials, because they would be the ones to instigate action. Oppen was very anxious about one of the local AUEW officials who had been viewed as being on his way to the top ranks of the union hierarchy. Fortunately for Oppen, he was ill and played no part in either of the meetings. Another thing which worried Oppen was his failure to actively involve the unions in the second announcement, instead, he had left it to the stewards to call them in. With hindsight Oppen felt that, had the unions been spoiling for a fight, they would have taken exception to this.

As has already been discussed, the unions took no action - with the absence of the AUEW official, the initiative was taken by NUGMW. The local official checked with his national officers and decided that, because of the gradual rundown, the generous terms and the reputation of the Company, it was

pointless taking any action. The other unions such as the EETPU and the Boilermakers' Union only had a few members to look after who, as they were skilled, would have no problems in finding alternative work. The officials felt that it was a waste of time taking on Camerons with all their provisions, when there were plenty of other companies giving only 90 days notice and the minimum redundancy compensation.

The situation is one of perceptions of powerlessness on the part of the stewards and, to a certain extent, local officials, whereas management was much more apprehensive of the potential power of these groups. The fact that they took steps to prevent it from being used, meant that stewards remained unaware of any strength they might have had.

Contextual Factors

The managers in this case-study took a lot of trouble to manage this closure in such a way that success was ensured. They were, however, lucky in the respect that the contextual background of this closure afforded them many advantages which complemented their attempts to secure a peaceful closure.

The workforce was relatively old with a tradition of loyalty to the Company - they were not predisposed towards taking

militant action. Furthermore, they were in a position to benefit from high redundancy compensation and early retirement. Neither the workforce or the stewards were particularly militant.

"a bloke who wants to go on strike is an idiot" (steward).

People could remember only one strike in the last twenty years. The two senior stewards were of the same mould. The AUEW convenor was probably the most likely to organise resistance but he left the Company in 1978. The general worker steward was described by management as "moderate" and "responsible". He represented the largest membership and commanded a lot of respect from both managers and workers. Neither steward really represented much of a threat to management.

"I think to some extent we must be thankful that we had the shop stewards we did have. Although they were pretty difficult characters in many ways I think they could be convinced of the logic of the situation" (manager).

The Company was lucky in terms of the amount of redeployment opportunities that were available locally - at divisional headquarters on-site and at another factory in the city. More opportunities were available in the division at factories within commuting distance. This meant that employees who wanted to stay with the Company but who did not want to move could be accommodated relatively easily. Coupled with this was the fact that, at the time, workers perceived alternative

jobs as being available. All the skilled workers I spoke to were confident of finding new jobs if they wanted them. The general workers were more apprehensive but, on the whole, they were confident of finding some sort of alternative employment although it was likely to be less well paid.

Finally, there are a few other points to mention. It seems that a plan for alternative industry was talked about by stewards but came to nothing, probably with the abdication of the union officials. Another interesting feature was the occurrence of managerial resistance. The AWM made a thorough investigation of the proposed closure, before the 1975 announcement, because he was not satisfied with the grounds for the decision. It took some time to convince him of the desirability of closure but, by the time he was, all the reasons had been properly worked through and management were, maybe regretfully, committed to the decision to close.

Summary and Conclusions

The key factors in this case-study are the appointment of Oppen and his management of the closure, including the initial culture change which set a firm foundation for a consultative approach to the closure. This was then followed by an open, communicative atmosphere in which both managers and stewards were able to contribute to the rundown process. The impact of the closure was softened by generous severance terms, early

retirement and other aid. Management was undoubtedly helped in their aim for a peaceful closure particularly by the perceptions of powerlessness by the stewards and the abdication of the officials which left the stewards in a hopeless position.

"There was clearly not much we could do about it, only what we did" (steward).

Both of these groups found the decision to close Mountside Works acceptable, mainly for environmental reasons. Management was also helped by the existence of a non-militant long-serving workforce which was loathe to take action against the closure and which would benefit from the severance terms and early retirement plans. Abundant redeployment opportunities helped management find alternative jobs inside the Company for those who did not wish to leave.

This chapter has concerned itself with merely describing the situation at Mountside Works, so that the reader can familiarise herself or himself with the actors and events involved. The data are analysed and the evidence presented, in terms of the framework given earlier in the book, in chapter eleven.

A Comparison

A limited amount of data, in the form of a report and a few interviews, are available on another closure in the division. This highlights a number of interesting factors when it is

compared with the information from Mountside.

In 1975-6, the division closed an operating plant in a works in the West of Scotland, known as Brookside. Although the closure went ahead

"the unions put up a lot of resistance before accepting the decision at a final conference at headquarters level. In the process they involved the press as well as political leaders in an effort to muster support" (report).

This constituted, in the eyes of Camerons, a significant amount of resistance. A number of factors can be found to account for the differences in outcome at Brookside and Mountside.

This particular division (A-division) had only arrived on this site during 1971. Since the 1940s when the Company first became involved in this site, the works had enjoyed a peaceful existence, apart from one closure in 1958. With the arrival of A-division a number of uncomfortable changes occurred:

- a) The transfer of a plant to another division in 1973 which led to accusations from manual workers of inadequate consultation.
- b) The provision of site services was transferred to the other division on-site (B-division). No redundancies were involved but 100 people were transferred to B-division.
- c) An operating plant was closed in 1974 and 12 people were redeployed.

Since the arrival of A-division in 1971

"an accumulation of fear and suspicion since the division had taken over the business" (report).

Numbers had reduced from 300 in 1971 to 200 in 1974 and the number of operating plants had been reduced to two from four. As a result, traditional working arrangements and longstanding relationships had been eroded.

The announcement of the closure of this particular plant came very much as a shock to employees. It was announced in March 1975, on the same day as the chairman announced the complete withdrawal of A-division from the site. This double blow was all the harder because it had recently been preceded by three highly optimistic statements about the future of the works in December 1974, January 1975 and February 1975. Furthermore, as a statement in April 1975 announced, the closure was to be effected quickly - part of the plant would close by June 1975, the rest in early 1976, the one remaining plant would continue to operate but would be managed by B-division. The result was that the closure came as a complete shock to the employees and it was to be carried out as a crash programme that would take less than a year to effect.

The handling of the closure met with a lot of criticism from the stewards who objected to the lack of consultation and communication. Stewards felt that they should have been involved much earlier in the decision-making process and told of the business

uncertainties which existed. This appears to have been due to the fact that the traditional and authoritarian attitudes which existed before the arrival of A-division had not yet been changed. Consequently the closure and the changes which preceded it had all been handled in a highly autocratic manner. This situation was exacerbated by the illness of the works manager and his successor which led to three people having responsibility for the works from the crucial period from 1974.

Working relationships also proved to be ineffective as they pivoted around the relationship between the original works manager and the senior steward, who was extremely powerful. As one manager put it

"you managed through him".

When the works manager was taken ill, and the steward was promoted to a staff position, the entire basis of industrial relations at the works was removed. This two-person relationship had robbed management of opportunities to develop relationships at lower levels. Furthermore, the new steward was less "middle of the road" than his predecessor and presented management with problems because he had inherited a powerful position.

Brookside closure represents a very different picture from the closure at Mountside. Although there had been shed closures at Mountside, they do not appear to have had an adverse effect on employees. The news of the closure at Mountside did not

come as a shock - although employees said that they initially did not believe it, they could all trace the causes back to the 1950s and 1960s, and all mentioned rumours of closure which had started many years before. They had more time to adjust to the closure with the two announcements and a five year rundown period.

The closure at Brookside was handled very differently - there was no consultation or communication and there certainly had been no culture change prior to the closure. Consequently there was a climate of suspicion and distrust already existing which was not helped by the handling of the closure.

An additional problem facing managers at Brookside was the difficulties surrounding redeployment. Although transfers to plants operated by B-division were available on-site, the employees had developed their own culture to such an extent that anti-B-division feelings were rife. This has been attributed to the gradual growth in dominance of B-division to 1400 employees (as against 200 in A-division) despite its later arrival in 1959. So, although opportunities for redeployment were available on paper, employees were apprehensive about the prospects of being transferred. Added to this was the lack of alternative jobs outside the Company in a town where unemployment was double the national average and in which 7% of the working population worked for Camerons.

A comparison between Mountside and Brookside shows how important the management of closure is in achieving a peaceful closure, particularly in the form of setting the right type of climate in preparation for the closure. A climate of trust and co-operation would appear to make matters a lot easier for managers. It also demonstrates how significant the context of a particular closure can be - it can help or hinder managers. A benevolent context is a bonus for managers but a hostile environment can present problems. It has to be assessed and counteracted. This was not done at Brookside and, consequently, the difficulties which already existed were compounded by mismanagement leading to resistance.

Chapter Seven

ANDERSONS

The second case-study concerns another industrial closure - of a factory in the West of Scotland. The factory, known here as Newlands, was part of a non-British based multi-national, known here as Andersons. The factory was opened in 1949, employed around 1500 people, and covered the general areas of mechanical engineering.

In September 1978, it was announced, following the Company's world-wide loss of \$145.5 million for the nine months ending July 31st 1978, that a study was to be conducted into the European manufacture of a particular product (product A). The terms of reference of the study, announced slightly later, were: given that the Company had excess manufacturing capacity at its two European plants (at Newlands and St Bertin in France), what would be the most efficient manufacturing arrangement for the Company, and what would be the best utilisation of any manufacturing capacity which was released. The study was, in effect, to assess the feasibility of reducing the existing dual sourcing arrangements to a single source, in a bid to save money. The Company had recently undergone massive losses, for example, \$256 million in the 1978 fiscal year and in the summer

of 1978, a new president had been appointed to restore the Company's viability.

It had been announced that the feasibility study would report in three months time. The recommendations were, in fact, presented in November 1978. These proposed the complete transfer of product A to St Bertin, saving \$10 million on annual overheads. It was also suggested that a second product (product B) should be transferred from St Bertin to Newlands which, at a cost of \$2 million, would provide work for 500 people. This latter recommendation was, according to the Company, in recognition of its social obligation to its workforce and the area.

These recommendations were presented to employees and union officials in November 1978. These groups responded quickly to the news of probable job losses. Local stewards formed a joint union co-ordinating committee (JUCC) which consisted of nine representatives of both manual and staff unions (AUEW, TASS and APEX). They commissioned, through the Scottish TUC (STUC), studies of the commercial basis of Anderson's decision, and of the social implications of the implementation of the recommendations. They lobbied politicians and other unions. They organised a demonstration in London, and arranged a visit to the French factory to see if they could learn anything there.

In January 1979, the unions presented their case to the Company. The report they had commissioned, from members of a local university, argued that product A should continue to be based at Newlands and product B in France. They also pointed, on the basis of another study, to the severe effect the Company's decision would have on the local economy. The unions based their decision, which was in direct opposition to the findings of the feasibility study, on various assumptions because they did not have access to all the figures used as a basis for the Company's study. A series of meetings evolved around the two studies but because, the Company would not allow the release of key figures, on the grounds of confidentiality, the "truth" could not be demonstrated, so the discussions led to a stale-mate eventually petering out, having effectively achieved nothing.

In July 1979, the Company announced that the study was to be re-opened and the deadline for the final decision was extended. This was followed by another series of meetings between the president, the STUC, the unions, the local stewards and the district council, and also between the UK managing director, local MPs, the under-Secretary of State for Scottish Industry, and the Secretary of State for Industry. These meetings revolved around the future of the factory and the possibilities of saving jobs. In November 1979, however, following the collapse of the market for product B, it was announced that there would be a complete closure of Newlands with the loss of 1500 jobs in

February 1980.

In the meantime, however, consultants had been brought in to work out new payment and production systems in anticipation of the arrival of product B. These consultants had been liaising with both managers and employees, as a result of which an idea had emerged for bringing alternative work into the factory. An international work-search had been designed to find a buyer for the complete factory and a local work-search had been established to assess if any demand existed for their skills. The international search failed to produce a buyer but the local search proved more fruitful, establishing a market for a sub-contracting engineering firm. Both management and employees had been involved in this search for new work, as a result of which a new company - Merryvale Ltd - was formed.

In February 1980, Andersons withdrew from the Newlands site, leaving Merryvale Ltd, which now employs about 170 people. Andersons is still responsible for the project but wishes to hold no more than a 20% share in the long term.

Resistance: Its Likelihood and Consequences

The closure of Newlands eventually went ahead, as far as the Company was concerned, successfully. There was certainly a

great deal of activity designed to prevent the closure but it was confined to lobbies, meeting, reports and did not escalate into a strike or occupation.

Management was apprehensive about the response of the workforce to the news of the loss of jobs. There were, in fact, two crucial stages - the announcement of the feasibility study, and the announcement of the complete closure. Management anticipated action.

"We were never confident that it was going to go our way. We were never certain whether or not it was going to turn into an occupation; it was always on the cards" (UK director).

Other managers expected industrial action, on the basis of the attitudes of the shop stewards who appear to have been an active and influential force at Newlands. One manager, on being transferred to Scotland, was warned that they were "a pretty lively bunch".

What were the consequences of industrial action? One UK Director admitted that the Company was vulnerable while production was being transferred to the French factory, because it would take time for it to "tool up" and acquire the necessary expertise. The stewards were in a position to apply pressure but this, according to management, would not have prevented the closure, it would have been more likely to have had the reverse effect. Andersons was in such a difficult

financial position that the cost of closure was unimportant in relation to shedding \$10 million in annual overheads.

"The Company was in such a desperate state that the prospect of what they might do had ceased to be relevant" (UK director).

Furthermore, if action were to escalate to the other British factories, there were fears for the safety of the entire UK operation.

"We've done what we have in the last two years because we've been so desperate as a Company. If we hadn't succeeded we might have gone out of business anyway" (UK director).

Management was anxious to avoid precipitating industrial action, not because it might force them to rethink the closure, but because it would exacerbate an already difficult situation.

UK management had other reasons for preferring a quiet life. From September 1978 until November 1979, no decision had been taken by the Company - the UK was still competing with France for product A or, if not, product B. A peaceful scene at Newlands was the only chance of retaining either of these products and UK management naturally preferred to have one or other of these products based in Britain rather than France, if it was at all possible. Another reason for UK management to prefer peace stems from the previous history of unrest in British industrial relations which had adversely affected this multi-national.

"There was pressure on us to close Newlands quietly to demonstrate that the UK

environment was a 'can do' environment. It was quite important for the future of Andersons in the UK that we could handle the problem without industrial action" (UK director).

Management wanted to close the Newlands factory, or as in the original plan reduce the numbers employed there, but it was infinitely preferable to UK management at least that this should be effected without any form of industrial action.

As has been mentioned before, action of some sort was expected. The local stewards had a reputation for being "militant" and "lively". They had been very influential in the running of Newlands and had overseen a number of previous disputes. Their response to the announcement of the feasibility study was extremely professional. Under the leadership of the AUEW convenor - Charlie MacDonald - they had formed the JUCC. They had commissioned their own studies of the causes and effects of closure and they had contacted politicians, ministers and councillors in their attempts to prevent job losses and closure. In their own words

"everything that could be done was done".

They arranged meetings with stewards from other factories and obtained pledges of support from them.

"This joint staff/manual delegate conference pledges total support for industrial action necessary to prevent the transfer of work out of Newlands and further undertake to win full commitment for this pledge from each factory location"

The stewards were also conscious of their ability to hinder the

transfer of production to France.

"Everyone recognised that to stop work would hurt Andersons, since they needed production here until the French factory was tooled up" (consultant).

The stewards were well-organised, had widespread contacts, had potential support from the STUC, their union and other Andersons factories and were conscious of their power so, why did they not take some form of industrial action?

Environmental Pressures

The reason for there being no immediate industrial action in response to the announcement and report of the feasibility study was due, largely, to the leadership of Charlie MacDonald and the JUCC. Some stewards, referred to as the 5th Column, wanted to take action but MacDonald decided against it and convinced the JUCC and the workforce of his reasoning. The basis of his argument was that previous attempts at work-ins and sit-ins had been unsuccessful in preventing closure.

"We've seen sit-ins, work-ins, pickets and demonstrations, but in the end firms have still closed down. We are trying another tack. I suppose we could have got ourselves into a political argument, but where would that have got us?" (MacDonald).

Another problem facing MacDonald, had he wished to take some form of industrial action, was a lack of commitment from the shopfloor. MacDonald felt that workers would not support a

strike or occupation because of the threat to their redundancy payments, without guaranteeing the prevention of closure.

"The membership wasn't prepared to go into a long struggle which they saw, at the end of the day, would produce the same outcome" (member of JUCC).

The workforce tended to be older, long-service employees who would benefit from relatively high compensation, qualifying for three weeks pay per year of service plus payment in lieu of notice of up to twelve weeks pay. Members of the JUCC were also dubious of support from other factories if it came to industrial action.

MacDonald and the JUCC could appreciate the difficult position the Company was in.

"These things had to be done or the Company itself would collapse. Nobody wants the Company to collapse because there are a lot of people employed there" (MacDonald).

The union officials I talked to also seemed sympathetic to the plight of the Company.

It appears that both stewards and union officials were convinced of the negative aspects of taking any form of industrial action. This attitude, argues more than one union official, is the result of the current economic climate.

"It's difficult in the present economic climate to get support because everyone's looking over their shoulder about his own job. In industry generally the demoralisation of workers is quite dramatic" (union official).

It certainly seems that MacDonald and his colleagues took a look at the world around them and decided that industrial action would be difficult to sustain and, even if it were, it would be unlikely to produce the results they wanted.

Managerial Strategies

If the stewards discovered the negative aspects of taking industrial action, management provided them with some positive reasons for remaining co-operative. Despite the initial decision of MacDonald not to take action against the job losses, the future was by no means settled for management. Their strategy was to provide some hope, some reward for peace.

"Our aim was to perpetually convince people that war would have a bad effect and they would lose out; that peace gave them hope and a chance" (UK director).

The first part of this strategy involved explaining exactly how difficult a position the Company was in and how necessary the job losses at Newlands were. They also tried to explain the reasons why it was better to concentrate production in France. Management appear to have been successful in convincing their employees of the precarious position of Andersons. Everybody I spoke to was aware of this and anxious that the new president should undo the mistakes of past managers. Attitudes to the choice of St Bertin were more ambivalent. On the one hand, they conceded that the French factory produced other products

and so, would be difficult to close down, that it had its own foundry, that Andersons owned the freehold whereas the Newlands site was leased from the Scottish Development Agency, but they could not reconcile themselves to the decision to locate production in France. They would point to the quality of their product, to their previous achievements in meeting production schedules, to the skills that would be lost and to the effect the closure would have on the community. Most people effectively pinned the blame on to the French government. There was a widespread rumour that the French government had told Andersons that, if it had any intention of ceasing the production of product A in France, it could cease manufacturing and selling in France completely. There was no evidence for this rumour - both managers and the academics hired by the unions had failed to find any proof of this. Nevertheless, virtually everyone I spoke to, both inside and outside the Company, quoted this as the real reason for the closure. It was as if this was the only reason that would justify, in many people's eyes, a needless closure.

The second part of management's strategy revolved around providing hope for the employees.

"People perpetually had hope that something would come out of it that would leave them with jobs" (UK director).

First, there was the (faint) possibility of retaining product A, or at least saving product B. Then there were the international

and local work-searches. These were followed by Merryvale Ltd. All these represented chances to save some jobs. They were also used by management to steer the men away from industrial action.

"The one thing we couldn't afford was bad publicity because if you're trying to entice a company in and the company sees there's trouble, they're not going to come" (member of JUCC).

A second thrust to this strategy was the series of meetings which developed around the feasibility study and the unions' critique. Stewards and unions believed that the Company could be persuaded that the move to France was wrong on economic and financial grounds.

"We thought that we could prove that this was a viable plant" (member of JUCC).

The general strategy of talking and listening to the unions was part of the normal approach adopted by Andersons.

"Anderson's relationship with the unions has always been a friendly one. They always give us a considered reply" (union official).

The academics involved in the union critique of the feasibility study maintain that the meetings which developed around the two studies were part of

"a deliberate managerial strategy to wear down the opposition".

Management, on the other hand, argues that their willingness to participate in meetings was to ensure that they did not make a

procedural error,

"to make sure that in no way could we be criticised for not having given the trade unions every opportunity to be consulted" (UK Director).

The stewards and unions entered into the dialogue because of their belief that this was the way to prevent the closure from taking place. At times they felt they were winning as the Company went off to consider specific points which they had made. On the whole, however, management was unimpressed with the study, and was always able to find an answer to the unions' criticisms, although management insists that, had the critique come up with a feasible way of saving Newlands, they would have entertained it. In fact, the strategy adopted by the unions

"played into their hands because the factory closed without any trouble" (union official).

As one manager explains

"the STUC had an almost impossible task. They were trying to refute our figures without having the base to do it and they had to make assumptions. As soon as they made an assumption, we could shoot it down. In all cases we were being truthful but we couldn't demonstrate that we were being truthful"

The academics who compiled the report agree

"the way in which the Company treated the critique, which obviously we think is completely valid, suggests that the facts of the case were not really what was at issue. At the end, it was whether management could or could not operate successfully, tactically, skilfully

enough to get that plant closed".

The academics themselves argue that there were drawbacks in using this strategy. It may have left other avenues of action unexplored, it may have led to an over-reliance on experts, and they were using a method of argument that they could never win.

If this strategy was started by a belief that this was a valid way of reversing the Company's decision, it ended in a sterile and sometimes acrimonious debate around the points of contention. For example, Andersons contested the assumptions made in the critique but refused to release the figures. The academics argued that the decision to reduce jobs was nothing to do with operating costs, markets or excess capacity, but was the result of earlier expansion which had been financed by the banks who now, at a time of uncertainty, wanted their money back. The closure was meant to be a sign to them that Andersons was making the right moves. UK management admitted previous mismanagement and the motives of the financiers but argued that the decision was still justified, and necessary for the well-being of the Company. The academics argued that the real reason for closing the Newlands factory was the attitude of the French government. Management replied by arguing that, to save money by ceasing the production of product A in France, you would have to close the entire factory and then what would you do with the foundry and the other products made there?

There were other points of disagreement between unions and management. The unions argued that management knew well in advance of the feasibility study that the days of the factory were numbered. UK management replied that they only knew two or three weeks beforehand, although preliminary work would have been undertaken at a higher level to see if an in-depth study was justified. The unions feel that they should have been involved in the study. Management argued that to release the figures on which the feasibility study was based would have been damaging to the Company. The unions also believe that the study was not conducted properly because it reported back in less than the intended three months. Management says that they put more man/hours in in order to end the uncertainty as soon as possible.

The prevailing opinion of the study among unions and employees (at the time of the interviews ie after the closure) is that it was a means to an end.

"Management, in their typical style, was prepared to listen but, at the end of the day, they were still intending to carry on with their proposals (steward).

Despite its unsatisfactory ending, the dialogue which developed around the feasibility study and its critique presented management with some useful advantages. It provided employees with the belief that this - peaceful - strategy was the way to save the factory, and while the employees and stewards were

engaged in talking, they were not striking or occupying.

The Company has also received criticism regarding its initial announcement to transfer product B to Newlands. It has been suggested that this was a deliberate ploy to reduce the possibility of resistance, and they had no real intention of siting the product in Scotland. Management's reply to this is

"It certainly wasn't a con game by those of us in the UK and on the study group or, to my knowledge, of other people. I do not believe they were clever enough. We are not in control, to that degree, of our environment" (UK director).

Management maintains that the offer of product B was genuine and was withdrawn only because of uncontrollable market factors.

The work-searches and Merryvale Ltd have come in for similar criticism. The academics, for example, believe that the consultants, ostensibly brought in to devise new payment systems, were, in reality, hired to "suggest" the idea of alternative products to the workforce in attempt to reduce the likelihood of industrial action as the news of the complete closure was made public.

"I think they came up with this plan as part of an effort to close the factory without any industrial hassle" (union official).

There is no doubt that the idea of a work-search emerged at a convenient time for management but they insist that it was

not part of a preconceived strategy, that the idea genuinely arose out of dialogue between unions and management, with the consultants acting as middle-men. This was a crucial role because management was unwilling to introduce the idea of alternative work for fear that the unions would see it as a sign that closure was inevitable (which, at the time it was not), and the stewards were reluctant to broach the idea in case it indicated to management that they accepted the job losses. It was left to the consultants to liase between the two groups.

The stewards see themselves as playing a not insignificant role in initiating the role of alternative work. They had argued for alternative products to be brought in at the beginning of the exercise and they had compiled their own list of the skills and facilities the factory had to offer.

It seems unlikely that management introduced the idea of alternative work as part of a premeditated strategy, it seems more likely that the offer of product B was genuine and that the work-searches evolved from management/union/consultant discussions. Nevertheless, management was quick to realise that these opportunities could be used to demonstrate to the workforce that a peaceful closure was likely to prove more advantageous for them than the taking of industrial action. It was a case, in the words of one manager, of "tactical opportunism" - as the opportunities arose, management was

quick to realise their potential and make use of them.

The Aftermath

Management succeeded in closing Newlands without industrial action, but what feelings have they left behind? The stewards and officials are ambivalent in their feelings. They now feel that the feasibility study was a foregone conclusion and the Company had already taken its decision, using the study to obtain union agreement. They also feel, in retrospect, that their own attempts to prevent closure with their own study were doomed to failure from the start. On the other hand, they argue, what else could they do - at least they saved some jobs in the form of Merryvale. They remain adamant that a strike or sit-in would have achieved nothing except, perhaps, an earlier closure. There is no real bitterness at the Company - they are able to appreciate the financial difficulties and feel that, on the whole, Andersons handled the closure well.

The feelings of the ordinary employees are more pessimistic and bitter. Many have remained unemployed since their redundancy and have little hope of finding a new job in the future - unemployment has always been well above the national average. Such people are reluctant to move to England to find work, knowing that, with the effect of the recession hitting English firms, they would be the first to go in any redundancies.

Many of the people I spoke to were very bitter towards the Company, feeling that they had been treated badly and still unable to understand why Newlands had been closed.

A Comparison

In February 1980, Andersons announced another study to be conducted into the transfer of production from a Merseyside factory to another plant in the North. The results here were rather different - the workforce had occupied the factory within two weeks. The sit-in lasted seven weeks during which time they picketed the other factory in an effort to stop the transfer. They were eventually forced back to work by the threat of withdrawn redundancy payments, and subsequently accepted the closure in May. The factory was closed in July.

The difference here, according to management, was that the stewards "broke the rules" by taking action before procedure had been exhausted, while talks and negotiations were still going on. Management then felt free to appeal to workers in the other factories, particularly at Nortown, where production was to be transferred, on the grounds that the Company had done its best, that the Merseyside stewards had taken precipitate action which threatened their own jobs. The Nortown workers accepted the work from the Merseyside factory and the employees there found themselves without support. Having removed the

possibility of sympathy action from other factories and ensured that the Nortown workers would not refuse to take the work from their Merseyside colleagues, management was able to force their employees to end their occupation, by threatening to withdraw redundancy terms. Union officials were in no position to put up any objections because the employees had broken their contract of employment by taking action before the grievance procedure had been exhausted.

This closure indicates that industrial action at Newlands would probably have brought the closure forward and that the stance adopted by the Scottish stewards at least saved the jobs for twelve months. It also demonstrates the ability of the management to split the workforce. The union officials felt that Merseyside was one that they would win.

"They'll never be able to close it because they'll have to send the work to Nortown and all we do is tell our members 'You don't take it' but our members said 'You keep out of it, we want the work'"
(union official).

Management maintains that they would have dealt with resistance at Newlands in the same way - isolating the workforce to avoid sympathy action and then threatening to withdraw or reduce redundancy payments. The cost of industrial action would have been offset against the saving in redundancy terms, probably of £5-6 million.

The "revolution" of Merseyside met with no success at all, the

"reformism" of Newlands only saved jobs temporarily apart from around 200 in Merryvale. Does this mean that employees and unions are totally powerless? In this case, because of the Company's desperate position, there may have been little or no chance of saving the factories but, given management's concern for peaceful closure, they might well have been prepared to pay a higher price to achieve it. The key is, according to one manager, to play it by the book all the way through and then, when the Company still decides to go ahead with the closure, call on help from other factories. This would make management appear as the aggressors. In an area of high unemployment, like Merseyside and the West Coast of Scotland, if the plants could be saved, other concessions might be made

"who knows what we would have been willing
to go along with, put the right way"
(UK director)

because the refusal of such legitimate demands in an area of social need might be enough to ensure action from the other British factories, something Anderson's management was keen to avoid.

Summary and Conclusions

This case-study illustrates two important processes. The first concerns the initial decision of the stewards not to take industrial action. This, it seems, is the result of the

prevailing economic climate - the inevitability of closure and the failure of previous attempts to prevent it by coercive means.

The second factor, which assured managerial success was their ability to recognise opportunities which enabled them to convince employees and unions that peace was best way of saving jobs. If the stewards discovered the negative aspects of aggression for themselves, management was quick to provide them with some positive benefits to be derived from co-operation. The outcome was a result of the combination of these two factors:

"the general economic climate that's got people half-defeated before you go into the struggle and, secondly, the sophisticated way the Company did it" (union official).

The strategy of tactical opportunism, although successful, was very different to the tactics adopted by the managers at Camerons. Theirs was based primarily on climate-setting in which a climate, conducive to co-operation and trust is constructed prior to closure. In the case of the Andersons closure, this was not possible as UK management, with the responsibility for managing the exercise, only knew about the feasibility study and its possible implications a few weeks before it was announced to employees. There was no time to engage in climate-setting and they were forced to rely on a policy of recognising and seizing opportunities as they arose.

Chapter Eight

MIDVILLE

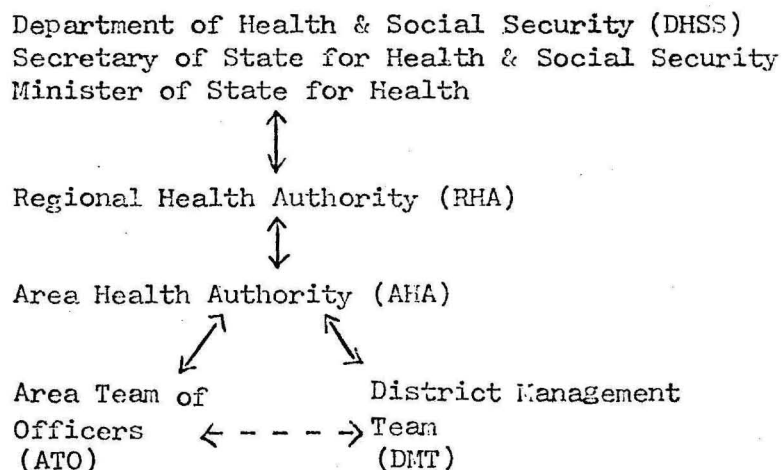
Introduction to the NHS

The next two chapters deal with hospital closures. The NHS's administrative system and its procedures for dealing with closure are complicated and so, will be briefly explained before the case-studies are examined.

Since the 1974 Reorganisation of the health service, there are a number of distinct managerial levels (see diagram 8.1).

Diagram 8.1

The Administrative Structure of the NHS



The DHSS and its Secretary of State hold formal responsibility for the IHS. Immediately under the Secretary of State is a Minister of Health. Below this level are 14 RHAs. These have between 18 and 24 members and a chairman who are all appointed by the Secretary of State. The RHA is responsible for a number of AHAs. These have between 18 and 33 members including one consultant, one general practitioner (GP), one university nominee, one trade unionist, two health service employees, a number of lay members (all of these are appointed by the RHA) and local authority members (who must make up at least one third). The AHA is the decision-making body for the area - it responds to and votes on recommendations made by its managers. The ATO has responsibility for strategic policy and planning. It does not have direct control over, but is supposed to liaise with, the DMTs which have responsibility for the operational management and day-to-day running of the districts into which the area is divided. In some cases, there is only a single district and the two functions of the ATO and DMT are merged into one under the Area Management Team (AMT). Consensus management was also introduced in 1974.

In the event of a proposed closure, it appears that the usual procedure is for the DMT to recommend to the ATO that a closure is necessary or justified on certain grounds. A proposal is then submitted to the AHA and, if they affirm the decision, a consultative document is produced. This

document should include the reasons for the closure, the disposal or alternative use of the site, the relationship between the closure and other developments in the area, and the implications for patients. This is then circulated to unions, Community Health Councils (CHC), local authorities, staff organisations and advisory committees. At the same time local MPs, the RHA and the DHSS are informed and a press statement issued. Most of these groups are expected to make comments on the proposed closure, which the AHA has to take into account when making its decision. The view of the CHC is particularly significant. There is one CHC to each district and they are responsible for promoting and protecting the interests of the patients. If they object to a closure and submit an alternative plan, the AHA must take it into account. If the AHA still wishes to go ahead with the closure, it must refer the decision to the RHA. If the RHA will not accept the CHC's proposals then it must seek the approval of the Secretary of State who may or may not confirm the decision to close. Thus the CHC has a formal mechanism whereby it can register its objections. If, on the other hand, the CHC agrees to the closure, then the AHA can go ahead with it.

For more details on the NHS see, for example, Barnard (1974), The Royal Commission on the NHS (1976-9) and Hunter (1980).

Midville - the Reasons for Closure

This case-study concerns the closure of Withybrook hospital by Midshire AHA. Withybrook was a small hospital some ten miles from Midville - a rapidly expanding market town in the Midlands. Midshire AHA comprises two districts, one of which covers Midville and its surrounding districts. The other covers the remaining towns in the county.

Withybrook was originally a TB hospital but, with the virtual eradication of the disease, had catered for chest patients and "cold surgery" (varicose veins, vasectomies etc). It had the appearance of a small cottage hospital with attractive buildings in an idyllic setting in the countryside. According to one doctor, patients used to enjoy going there because it was small, friendly and picturesque, and because they were not really ill - either undergoing minor surgery or convalescing. Its medical use, however, was limited because of the lack of support facilities and its distance from the district general hospital (DGH) in town.

The AHA's policy had been to concentrate services at the DGH, which had been greatly extended in recent years. A rationalisation process was underway and two geriatric units and a convalescent hospital had already been closed. This process was, however, being accelerated due to the financial difficulties

the AHA was experiencing. The region had always been one of the richer health service regions and hitherto had attracted funds. When the Resource Allocation Working Party (RAWP) had devised a formula to distribute funds between the regions more fairly, it involved taking funds away from the region. The problem, from Midshire AHA's point of view, was that they had always been underfunded within the region by, management estimates, as much as £1 million per annum. With the loss of money through RAWP and the general economic stringency which had resulted in the mid-seventies from government expenditure cuts, Midshire's small slice was coming from an even smaller cake. This situation was, in turn, exacerbated by Midshire's obligation to cater for 50% of the population of a nearby new town until its own hospital was built.

There was, then, a general principle of rationalisation which had been accelerated by the need to save money. The closure of Withybrook would save over £300,000 a year. In April 1977, there was a recommendation by the DMT to close the hospital. They argued that the loss of beds would be met by the opening of a new phase at the DGH, although there would be a time lag of a couple of years. The AHA accepted the recommendation and proposed that a consultative document be prepared. In July 1977, the AHA accepted the document which then went out for consultation. In August, there was a formal notice of the proposed closure. The CHC called a public meeting in the November and, as a result

of the strength of feeling there, opposed the closure. They were supported by district and parish councils in the area but not by Midville town or borough councils. COHSE, the main union at Withybrook, "deplored" the proposed closure. The CHC then made a formal objection to the DHSS. In December 1977, the AHA reaffirmed the decision to proceed with the closure, because of the CHC's action, this had to be passed up to the RHA, who gave their support to the closure and passed the matter up to the DHSS. In March 1979, the Secretary of State (David Ennals) eventually accepted the closure. The matter, however, was not finished, because of the change in government in May 1979, the new government reserved the right to reconsider the closure and it was not until September that approval was finally given.

Climate-Setting

The AHA had financial problems on a comparable scale to Northville (see next chapter), but it adopted a completely different approach, not only to the closure but to the general climate of industrial relations. Since Reorganisation, under the leadership of the AHA Chairman, Alan Dale, they had sought to unify the trade union movement and bring it in to the consultation procedures which had been established. Consequently there were formal and informal meetings with unions and the CHC in an attempt to exchange views and air problems and in which

management could fully explain its financial problems.

These developments were taking place in a peaceful climate.

Midville had grown from a rural background and was not

associated with high incidences of industrial activity or

labour militancy. The result was that, in the health service

in Midville, industrial disputes were uncommon and relations

between management and unions were good. Since Reorganisation

there had been no local disputes, only national action during

the Winter of Discontent (see chapter ten) and that

had been minimal, confined to a work-to-rule by ambulance-

men and the "odd day off" (manager) by laundry workers.

Furthermore, management had a high regard for the unions,

describing them as "reasonable", "responsible", "moderate" and

"not militant". These feelings were mutual - union representa-

tives felt that relations with management were good because

they were always willing to consult and discuss issues with

them.

"Relations are good here. We are told
informally 'Look out! in a month so and
so is going to happen'" (NUPE official).

Having created a climate of good industrial relations and

effective management, they were not going to jeopardise it

by mishandling the closure. Although managers felt secure in

their relationships with the unions and the CHC, they were also

conscious of the fact that to ignore them or not consult them

fully could well lead to trouble. Management was, therefore, anxious to not only effect the closure but to handle it in such a way that feelings were not injured among unions, staff or CHC members.

Managerial Strategies

The main strategy was one of consultation with everyone involved in or affected by the closure. The key managerial figure in this was Alan Dale, Chairman of the AHA. He led many of the discussions, making himself available for consultation with any of the various interest groups. He was able to draw on his own, considerable experience not only of the health service with which he had been involved for 25 years, but also of the local council. When he took the AHA chairmanship in 1974, he was a member of the local council and so was able to capitalise on both his standing as a public figure and his political contacts. He was also in a position to apply to Withybrook, the lessons he had learnt from the previous three closures undertaken by the AHA.

Dale's strategy of consultation was supported by both the ATO and the DMT. In particular, both the Area and District Administrators were convinced of the need for consultative management. Dale's doctrine was to

"go and meet the people: people are compromised by the personal approach"

He attended the public meeting called to discuss the closure and was able, because of his background and expertise as a public speaker, to give a good account of the closure and the reasons behind it. He believed that it was imperative to explain the reasons behind a decision in such a way that people could understand. As a result, conscious efforts were made to explain the financial position which had led to the need for the closure.

A second part of Dale's tactics was to test the ground and work out, in advance, the chances of success - with the unions, the CHC, the public, the AHA and, in the event of an objection from the CHC, the Minister. His reasoning was that if you are prepared for opposition, you have a better chance of overwhelming it. It was also important for him to know if there was absolutely no chance of winning, in which case plans could have been changed so as to avoid a management turn-around which results in a loss of confidence and creates more problems in the future. His aim was to (a) assess the extent and nature of opposition, (b) to assess whether it would spread further than the local resistance which was to be expected in a hospital closure and (c) if it was likely to spread, what were the implications and how powerful would the opponents be. In the case of Withybrook, he anticipated some opposition but decided that, if handled in the correct way, it could be overcome.

The unions registered disapproval to the closure but they did not formally object. Neither Dale, the ATO or the DMT anticipated any industrial action in response to the closure as long as they were fully consulted and handled in the correct way. Nor was any action expected from the staff at the hospital. As one AHA member put it

"they wouldn't sit-in at their hospital".

The news of the closure had not come as a shock to them. Rumours of closure, because of the eradication of TB and the isolation of the hospital, had been rife since the 1960s. Staff at the hospital did not want a sit-in and, after the initial disappointment, were prepared to go along with the closure, as were the unions. Management had tried to ensure that all employees had the choice of redundancy with terms or an alternative job and most, if not all, were happy with this arrangement. They were, in their own words "lucky" to have this arrangement, and this helped to counteract their disappointment.

The doctors involved at Withybrook were neutral about the closure. Some objected to the long drive out to the hospital and the lack of support facilities and so were not averse to the idea of closure. The chest patients had already been moved to new wards in the town and their physicians had no qualms about the closure of Withybrook. Some objection came from the surgeons who had used Withybrook for minor surgery, thus avoiding

the queues at the theatres in the DGH. On the whole, however, the medics were convinced of the suitability of the alternative facilities to Withybrook hospital and none opposed the closure.

Both Dale and management were confident that the AHA would not change its mind over the closure, except at the recommendation of its managers. Again the feelings of the members has been assessed in advance by Dale. The AHA was haunted by the fear of overspending and was, therefore, happy to approve the closure. One member pointed out that they were often given little choice by the ATO and were obliged to go along with their recommendations.

The unions, staff, medics and AHA had not been expected to cause undue problems. It was, however, expected that the CHC would register a formal protest. They had already opposed two of the previous three closures.

"They had to take up causes and here was a cause that they could take up in a big way" (manager).

The formal objection of the CHC would, however, involve the minister. It would also have to pass through Region but they were unlikely to undermine a decision of the AHA. Ministerial approval represented a problem and Dale's policy was

"you've got to know the minister".

By virtue of his position, Dale was able to see, and put his argument across to the relevant ministers in both the Labour

and Conservative governments and, in so doing, was able to personally impress upon them the reasoning behind and importance of the closure.

This was probably the most uncertain stage of the entire episode. Whereas it was possible for management to assess the likely responses of unions, employees, the CHC and AHA, it was far more difficult to predict the attitude of the government, particularly when it changed half-way through. Furthermore, government attitudes to financial economies had been tempered by the embarrassment caused by the hospital occupations of the mid-seventies. Personal contact with the ministers was probably one of the best ways to ensure a favourable decision but there was no guarantee.

Management admit that they were lucky in their timing. The in-coming Conservative government had fought the election on the basis of a cost-conscious manifesto. One of the ministers involved in the NHS was a recent recruit from Labour and, although an MP in the area, it is thought that he was anxious to be seen to be doing his duty - the affirmation of the closure of Withybrook was a chance to demonstrate that the new government meant business.

Management is adamant that they would have had difficulty in getting the closure approved today.

"If that proposal had come forward two years later it would have had little chance of success" (Dale).

"If it happened today I doubt if we'd have got it through" (Area Administrator).

"The closure business is getting more difficult" (manager).

This is because the Conservatives have stated their preference for small community hospitals, like Withybrook.

The Opposition

The opposition was not in a strong position. The unions had "deplored" the decision but were not obstructive in any way. They were fragmented with COHSE having full responsibility for the staff at Withybrook and wanting no help from any of the other unions:

"as a union we felt that we should be devoting our interests to looking after our members if and when it was closed, rather than actually fighting the closure" (COHSE steward).

If liason between the unions was limited, it was non-existent between the unions and the CHC. The CHC did not see their role as involving union support.

The CHC opposed the closure, but they were very much on their own. They did not want the support of the unions and they were unable to call on the medics, who were not opposed to the closure. The CHC believed that it could win but effectively

lacked a strategy. Opposition was limited to a few members of staff and local councils. It aroused press coverage but the public's imagination was hardly set alight by a hospital that was situated in a small village ten miles out of town. The CHC was unlikely to be able to change the AHA's mind over the closure. Consequently, their only hope lay with the Secretary of State.

The Aftermath

How do these groups feel, now that Withybrook hospital has closed? There is almost a complete absence of bitterness - although regretful, staff have adjusted to their new jobs and have no complaints about the way management handled it. Some of the staff who took redundancy, mainly those who lived in the village and who were unable to travel to town to take up other jobs, are upset about the closure which robbed them of happy, convenient jobs. On the whole, however, employees, union officials and the CHC could see the reasoning behind the closure.

"The AHA hadn't got enough money to service all these units" (CHC secretary).

"The government didn't give management enough money to keep open their units. They had no alternative but to close" (union official).

"The AHA were in such a state financially" (employee).

There was a tendency to latch on to the financial explanations, pinning the blame on the government rather than management,

even though, because of rationalisation, it would have gone ahead eventually anyway. In addition to absolving management of all blame for causing the closure, the staff, unions and the CHC were all happy about the way management had handled it.

"Management handled it very well" (NUPE official).

"We've got no complaints at all about the manner in which management dealt with us" (CHC secretary).

Summary and Conclusions

The key factors here revolve around the existence of a powerful Chairman, who had the support of management at both area and district levels. He had initiated a climate-setting exercise, similar to that undertaken at Camerons, several years before the closure so that a constructive atmosphere existed before the closure became an issue. Once the closure was underway, management relied on consultation, communication and explanation again, in much the same way as Camerons.

Another key factor was the ability to assess and predict the extent, nature and implications of potential opposition.

"I thought that there was a good chance of this closure being accepted by the Minister - the case was well-made out, the local opposition was understandable and there was no real threat of the union behaving in such a way that would embarrass the Government. In other words, I couldn't see it becoming a conflagration. I could see it being a difficulty which someone had to grasp" (Dale).

Managers have suggested that, had they expected any real trouble, they might have "erred on the side of caution", so as to avoid causing the government any further embarrassment and to avoid a turn-around by management.

The fact that a formal objection was registered by the CHC should not detract from the success of management. The feelings of the unions and the CHC towards management is more indicative of their ability to handle problems such as closure. In fact, management was even able to use the CHCs objection to their own advantage.

"We rather hoped the CHC would oppose it as this would help us in our fight for more money" (manager).

Chapter Nine

NORTHVILLE

This case-study documents the progress of a proposal to close a maternity hospital known here as Maine Road Maternity Hospital by the Area Health Authority of a city in the North West, known here as Northville AHA.

Maine Road had been a candidate for closure since the 1960s, simply because it was an old hospital. Following the Reorganisation of the health service in 1974, it became clear that Northville had an over-provision of maternity beds. A fall in the birth rate coupled with a move of people out of the inner city area, where Maine Road was situated, had resulted in falling bed occupancy. Apart from a prestige maternity unit in the city which enjoyed a very good reputation both inside and outside the city, the other three maternity units - Maine Road, and wards at King Street and Sackville General Hospitals - were all working at around 50% of their full capacity. See table 9.1.

There was then, according to management, an overwhelming case for the rationalisation of obstetric and gynaecological (O&G) services in Northville. This general commitment to the principle of rationalisation in 1974-5 had been turned into a

Table 9.1

The Relationship between Obstetric Beds, Births, Lengths of Stay
and Occupancy since 1969

Year	1969	1970	1971	1972	1973	1974	1975
Eastern District							
Beds Available	222	222	217	185	192	185	195
Births/Year	5598	5125	4748	4169	3648	3239	2968
Average Occupancy	163	146	126	112	100	93	77
Average Stay	8.4	8.2	7.6	7.5	7.5	7.7	7.4
Central District							
Beds Available	228	227	232	228	217	210	193
Births/Year	6360	6433	6264	5882	5440	5113	4019
Average Occupancy	176	169	163	151	139	130	126
Average Stay	8.4	7.9	7.4	7.1	7.1	7.1	6.1

Northville was divided into two districts - Central and Eastern
- as a result of Reorganisation.

Figures supplied by the AHA.

specific plan to close Maine Road by 1976. Initial soundings
of the plan met with the approval of the AHA and in September
1976 a consultative document was released. This proposed the
closure of Maine Road over two years, during which time
facilities at King Street and Sackville DGHs were to be improved
to enable them to cope with the extra demand.

Concern was immediately expressed by many groups at this plan to close Maine Road. Staff at the hospital set up an Action Committee to stop the closure. They wrote to GPs, lobbied MPs, appeared on the TV and radio, spoke at a local Trades Council meeting, contacted the press and presented the Chairman of the AHA with a petition of 10,000 signatures opposing the closure. The Action Committee was closely linked with the two CHCs. The hospital was situated in the Eastern District so links were closer to the Eastern CHC but the Central CHC was also opposed to the closure. NUPE expressed "serious concern" at the proposal, arguing that the birthrate would rise again and the facilities at Maine Road would be needed. Furthermore, argued NUPE, new housing was planned in the area surrounding Maine Road which would draw young people back into the area.

Despite this furore, the ATO pressed on with its proposal. In March 1977, they issued a supplement to the consultative document, bringing forward the closure until as soon as possible after July of that year. This, according to management, was necessitated by the estimated deficit of £1 million on the annual budget which, as a result of the introduction of cash limits, would be the first item on the following year's budget. This document also mentioned, for the first time, the alternative option of closing down the wards at King Street and Sackville DGHs and retaining Maine Road. This, however, was dismissed

because the savings would be £½ million per annum less, and because the government's policy was to integrate specialist units into a DGH with all its back-up facilities.

The supplement caused a further impetus in the opposition movement. The local media continued to report on the issue. A "World in Action" TV programme in May 1977 covered the proposed closure. There was a well-attended public meeting in the May, in which a consultant obstetrician spoke against the closure. Both CHCs restated their opposition. The Eastern CHC argued that the closure should not go ahead because the area around Maine Road had been designated a redevelopment area and the planned new housing would bring young couples into the area, presumably with a potentially high demand for the services provided by Maine Road. The CHC also complained of the cost which would be involved for residents of the Maine Road area who would have to travel to the other hospitals if the closure went ahead. They argued that it was unfair to deprive an already under-privileged inner city area of its hospital. The Eastern CHC proposed that, instead, the maternity wards at King Street DGH should be closed. The Central CHC offered, in addition, the closure of the maternity wards at Sackville General which was in the Central District, to keep Maine Road open.

"The decision to urge the Health Authority to keep Maine Road open and reduce beds by transferring the maternity beds at Sackville General was unanimous within our Health

Council and with all the groups represented at the meeting" (extract from a letter to the AHA from the Central CHC, August 1977).

A special meeting of the AHA had been called in July 1977, to consider the two options - the closure of Maine Road or the wards at Sackville and King Street. Fifteen members (out of 26) had attended but only nine voted - 5 to 4 in favour of the closure of Maine Road. The meeting resolved that the CHCs should give further consideration to the two options, that the AHA also give further consideration and seek clarification of the medical view on the issue.

The CHCs continued to oppose the closure. A letter from the consultant obstetrician at Maine Road argued that the hospital should be retained because it was such a good specialist hospital. An outburst of indignation arose from the staff at Maine Road about the low turnout for the AHA meeting.

"Maine Road Action Committee members claimed there had been gross under-representation with only 11 out of a total of 26 members present at the Special Meeting. And they were angry that only 8 took part in the vote" (local press article, July 1977. In fact, the numbers were incorrect - 15 attended and 9 voted.)

On the 23rd August another meeting of the AHA was called. Only 14 attended but 13 voted and the decision was 9 to 4 in favour of retaining Maine Road and closing wards at King Street and Sackville General hospitals. A certain amount of disapproval

was generated around this decision. In January 1978, the unions - NUPE and COHSE - were still refusing to accept the closure of these wards.

"The officer of NUPE stated, on behalf of the staff organisations present, that they were not accepting the decision taken by the AHA to close the obstetric units" (minutes of a meeting between unions and management, January 1978).

By July, however, all the remaining problems had been overcome and the unions agreed to the closure of both units. The maternity wards at Sackville closed in August 1978 and those at King Street in September.

The Background

Before looking specifically at the reasons behind the opposition to the proposed closure of Maine Road and its success, it is necessary to examine the background of the health service in Northville, and compare it with that of Midville.

Northville has grown from an industrial, rather than a rural background. By the 1970s, however, it was a declining, depressed area. It has, for example, a record of extremely high rates of unemployment. See table 9.2. In addition to this there are relatively high numbers of unskilled workers, single parent families, elderly individuals and impoverished families as the Committee of Inquiry conducted into the health services in Northville found.

Table 9.2

Local Rates of Unemployment in Northville and Midville

Year	Northville	Midville	National Average
1975	9.6	3.3	4.7
1976	11.8	4.2	6.3
1977	12.8	5.0	6.9
1978	13.1	4.0	6.6
1979	12.7	3.2	6.1
1980	14.7	5.6	7.8

Figures from DoE Gazette.

There is a general history of militancy, radicalism and trade unionism at Northville, which does not exist at Midville. This has extended to the health service. Whereas Midville had had no local disputes since Reorganisation and virtually no national disputes, Northville has been beset by industrial action both national and local. There had, for example, been 8 disputes between October and December 1978. More than 4,000 days had been lost in official disputes alone between January and March 1979. Another measure of industrial activity is the position of the RHA responsible for the area in the NHS "league table". See table 9.3. The RHA responsible for Northville was, in 1980, in the top half of the league. Midville's RHA, on the other hand, was usually in the bottom half.

Table 9.3

A Comparison of Industrial Activity in the RHAs Responsible
for Northville and Midville

	Days Lost	No. of Staff in Stoppages with Days Lost	No. of Stoppages with Days Lost
Jan-March 1980			
RHA responsible for Northville	249 (4th)	300 (3rd)	8 (4th)
RHA responsible for Midville	35 (11th)	35 (11th)	1 (13th)
April-June 1980			
Northville	207.5 (8th)	193 (7th)	9 (5th)
Midville	40 (11th)	50 (10th)	1 (11th)
July-Sept 1980			
Northville	60 (3rd)	12 (6th)	1 (4th)
Midville	35 (4th)	66 (3rd)	2 (2nd)
Oct-Dec 1980			
Northville	3122 (1st)	1461 (1st)	5 (2nd)
Midville	0 (=9th)	0 (=9th)	0 (=9th)

The figures in brackets denote league position out of 15.

Figures supplied by DHSS.

Militancy was one problem that Northville AHA faced. There were, however, additional difficulties. One overwhelming pressure was that of finance. Cuts in public expenditure, announced in the mid-seventies, produced a general concern for financial considerations. Additional steps had been taken in the NHS to curb expenditure. The Resource Allocation Working Party (RAWP) had been established to examine the way in which resources were allocated in the health service. In the past, certain regions had tended to attract revenue to fund existing capital commitments, while others had not and so, a divide between rich and poor regions had grown up. RAWP was designed to re-route money away from the rich regions towards the poorer ones. An interim report was made in August 1975 which, because the Region responsible for Northville was one of the "rich" ones, threatened to reduce its allocation in real terms. The final report used a different formula which meant the the Region would receive an increase in resources but by this time (1976) the 1976/7 budget had already been distributed to the Areas - on the basis of the interim report and an expected reduction in funds. On this basis, Northville AHA had been deemed as overfunded within the Region and received the minimum 0.25% budgetary increase.

This situation was further exacerbated by another consequence of the RAWP report - the withdrawal of revenue consequences of capital schemes (RCCS) funds. These funds had previously been

available for bringing new hospitals into operation but were withdrawn in April 1977. Northville AHA was just completing work on a new DGH at that time, which it would now have to bring on-line without additional funds, but with money from its annual budget.

In the mid-seventies, Northville AHA was facing a difficult financial situation in addition to the pressures of Reorganisation which had created an extra administrative layer. These difficulties were set in a city with a tradition of militancy and in an industry in which unionisation and union activity had been increasing (see chapter ten) and in which many professional associations had acquired trade union status (Committee of Inquiry). Management had, however, exacerbated these existing problems in a number of ways. They had, for example, mooted a move from two districts, established by Reorganisation, to a single district as early as 1975. The two district system was, according to many, never given a chance to work nor had Northville been given a chance to recover from Reorganisation. Furthermore, the 18 month delay before consent to the change was given by the Secretary of State was disastrous. According to the Committee of Inquiry, morale dropped while the best managers fled, leaving the less experienced ones to deal with the ever-increasing problems.

"Whatever the intrinsic merits of 'single district' over 'two-district' areas the mistake lay in seeking so fundamental change at a time when other problems were being

faced" (Committee of Inquiry).

The AHA proposed drastic cuts in Northville's health services in an attempt to deal with financial problems.

"Inside eighteen months, two thirds of the hospitals in the city have been or still are threatened with closure, reduction or redesignation" (Committee of Inquiry).

Five hospitals had been closed specifically to provide funds for the new DGH and other reductions were planned. Changes of such magnitude, in such a short space of time, are likely to bring about uncertainty and suspicion in themselves but, in Northville, additional factors worsened the situation.

Management had not introduced the changes as well as they might.

"Each time a new planning document has appeared it has been a major headline in the local press before the bulk of the staff, often including senior officers in the units concerned, were aware of its contents" (Committee of Inquiry).

"Another criticism of management has been its failure to share information adequately and at the right time" (Committee of Inquiry).

Managerial inadequacies were capitalised on by

"a very forceful and militant ancillary staff leadership provided by the lay officials of NUPE's central branch" (Committee of Inquiry).

who were not convinced of the desirability of the proposed cuts in services. The CHCs and the unions were of the opinion that Northville was a deprived area with a high proportion of impoverished families and poor facilities and housing. A provision of good hospital care was perceived necessary in such

an area, especially one in which the provision of primary health care was considered inadequate. Furthermore, the public was not anxious to give up its small community hospitals for "the great white elephant" - the new DGH. The people of Northville were used to a large number of small local hospitals:

"on every street corner, they've had a church,
a school, a pub and a hospital" (CHC secretary),

and they were loathe to give up this arrangement for a massive hospital in the centre of the city, which had taken 17 years and more than £50 million to build.

The combination of inadequate management and militant unions did not make for a peaceful life.

"On the management side, the absence of a commitment to full, open and early consultation gave rise to hostile and sometimes ill-informed action On the staff side, there is some evidence of a tendency, especially on the part of NUPE, to take precipitate industrial action in the face of real or supposed managerial action" (Committee of Inquiry).

The result was, in May 1977 when the proposed cuts were announced, an

"explosion of protest among many groups of staff, and it brought together the trade unions and the CHCs in a determination to resist the proposals" (Committee of Inquiry).

This protest was followed by union deputations to the Secretary of State for Health who was forced to agree to the Committee of Inquiry into Northville AHA which has been quoted so often above. It is this inquiry, reporting at the end of 1977, which

brought so many of the underlying conflicts to light.

It was against this background of militancy, unsatisfactory management, and strained industrial relations that the episode concerning the proposed closure of Maine Road took place.

Managerial Actions

Management has come in for a great deal of criticism from the Committee of Inquiry. Such criticism was not confined to this - stewards, union officials and employees expressed dissatisfaction with management to me.

"The standard of management is abysmal"
(union official).

"From its inception in 1974 the AHA had serious problems in maintaining an acceptable standard of health care in the city" (CHC secretary in an article published in 1979).

"These are bad managers. There are no two ways about it" (steward).

Management appears to have made mistakes, even from their own point of view, in their handling of the Maine Road issue.

This was the first closure they had undertaken and so, they had no experience to draw on. One mistake was in presenting the closure of Maine Road as the only option for so long. Although union officials and the CHCs were aware that, if Maine Road did not close, the units at Sackville and King Street would

have to, the majority of staff at the hospital and the general public were not, at least until March 1977, if not later.

"We were not aware at the time that King Street Hospital was threatened" (employee at Maine Road).

Consequently, the people who were fighting for Maine Road were fighting for Maine Road only. They were not diverted by any other course of action, nor were they met with any opposition from staff at the other units who were unaware of any threat. Members of the ATO now say that, if the exercise was to be repeated, they would present the two options from the beginning, with the advantages and disadvantages of each and registering their recommendation for the closure of Maine Road. This, they argue, would help to split the opposition.

"I think with a bit of hindsight it should have been presented differently. I think it should have been presented as two options with pluses and minuses against each"
(member of ATO)

Another problem the ATO had to contend with was dissension - one officer was in favour of retaining Maine Road - the closure of the maternity unit at King Street would release wards to allow the unification of cardiology and cardio-thoracic surgery on one site. This strategic plan went against the wishes of the other officers and, the individual concerned feels, went a long way towards saving Maine Road. Because of the policy of consensus management, many people were unaware of his feelings as the majority decision was in favour of the closure and this

was the view that was made public. It is conceivable that the dissension might have had some effect on those who were aware of it.

Management has also been criticised for the way they completely misread the situation - they were totally unprepared for the onslaught they faced because they had not expected it. Unlike Midville no "market research" had been undertaken to assess the likelihood of opposition. As a consequence, they were ill-equipped to deal with the public furore which did arise.

"We were pretty naive in terms of public relations we were pretty naive in terms of industrial relations we hadn't the skill to negotiate with all these different interest groups" (member of ATO).

So, despite having gained acceptance of the principle of rationalisation, management were unable to secure the closure of Maine Road.

"It is irrational not to realise some reorganisation of the obstetric services is necessary" (CHC sub-committee report on the proposed closure).

"We realised that there were too many maternity beds and we realised that something would have to be done" (steward)

"Undoubtedly there is a case for the rationalisation of O&G services in Northville" (union official).

Management appears to have failed to convince their employees, the unions, the CHCs, the public or the AHA of the need to close Maine Road, as opposed to the other maternity units. The medical

argument for the closure was that maternity units were best situated in DGHs with the full range of support facilities. This, however, was countered on the grounds that Maine Road was an exception because it was such a good specialist hospital with its staff and facilities devoted purely to bringing babies into the world. This argument was put forward by a consultant, who received a lot of publicity and who undoubtedly gained a great deal of credibility for the argument.

Management was also unable to convince others of the financial need for the closure - closing Maine Road would save £½ million a year more than the alternative option. To an AHA with severe financial problems, this represented a substantial saving but managers failed to convey this to the public, the CHCs or unions and staff. Some managers now feel that inadequate emphasis was placed on the financial factors.

"I don't think that finance was put to the public as the prime reason. I'm not sure it was hammered home sufficiently" (manager).

"People didn't take enough notice of financial considerations" (member of ATO).

It also appears that the AHA was unimpressed by the financial argument, despite its precarious position on the financial front, as they voted against the option which provided the greater saving.

The Opposition

In contrast to the prevarication of management, the opposition put up a concerted and well-coordinated fight. It was initiated by members of the staff at Maine Road who established an Action Committee in response to the threat to their hospital. The nucleus of the Action Committee consisted of two ward clerks, a ward sister and a telephonist. They wrote to local GPs, contacted the MP, spoke to the local trades council, appeared on TV and radio, contacted the press, solicited help from the CHCs, organised a petition and pinned up posters.

By May 1977, the senior consultant at Maine Road had joined the fight. This was an important asset

"the fact that a senior consultant obstetrician was speaking for the retention of Maine Road went a long way toward's the campaign's success" (member of ATO).

Considering the complexity of medical arguments, and the extent of lay membership of the AHA, it is not surprising that the opinions of consultants carry a lot of sway with the AHA as well as with the general public.

"The lay people on the AHA tend to have nothing to say. They rely on medical opinion" (CHC secretary).

The unions were opposed to the closure. NUPE was the only one to get itself involved, although it was very much relegated to the back seat, as the unionists themselves admit.

"It was no trade union that kept that hospital open" (NUPE steward).

"It was the pressure of public opinion that won that fight, rather than the union" (NUPE official).

"It was public opinion that kept Maine Road open. The unions were so far out of it, it was unbelievable" (COHSE steward).

The staff on the Action Committee made a conscious decision not to get too involved with the unions, in case it damaged their cause.

"The sort of help the unions meant we didn't want and didn't need. We felt we were doing it in a dignified and effective way" (employee of Maine Road).

Their argument was that union involvement might cost them the support of the public as well as losing them credibility in the eyes of councillors, MPs and other local dignitaries. Furthermore, the Action Committee had no intention of embarking on an occupation should the AHA decide to go ahead with the closure, but the active participation of the unions might indicate to others that such action was planned.

"They wanted to talk all this rubbish of take-over and sit-in" (member of Action Committee).

Some local stewards did have plans for an occupation in the event that the closure was approved by the AHA. It is doubtful, however, that the staff would have accepted as even some union officials have admitted. The staff were anxious to protect their patients - preventing closure would achieve that,

occupying the hospital, in their eyes, would not. Furthermore, staff were doubtful whether an occupation would be effective in a maternity hospital where patients are only admitted for six or seven days.

Keeping the unions on the side-lines undoubtedly helped the Action Committee win widespread support. Medical opinion might have hardened against them if the unions had threatened action. The Eastern CHC was not keen on union involvement.

"I didn't want the CHC to get involved with the unions I wanted to make sure that I looked at it from the view of the patients" (CHC secretary).

Finally, one of the most important ingredients of success - public support - might have been jeopardised by an aggressive union role.

"If we had fought it our way. I think we would have lost the sympathy of the general public" (NUPE steward).

The background support of NUPE did no harm. At the very least it provided funds, information and advice and it probably helped to gain the support of the Labour councillors, some of whom would have been members of the AHA.

The main thrust of the opposition's campaign was at the general public, who were quite prepared to offer their support. The fact that a long standing institution was at risk and the fact that it was a maternity hospital aroused a lot of emotion. Maine Road had survived the blitz and there were people who

would ensure that it survived the AHA. It was the largest maternity hospital in the UK and many local people had been born, or had their own babies there. The emotional reasons held a great deal of sway with the public although more rational reasons were put forward by the CHC - the projected increase in the birth rate, the redevelopment planned for the area, the cost of travelling to other units, the deprivation of an inner city area. It seems, however, that it was the more emotive aspects of the argument that created the furore of public feeling.

"It was won on emotional grounds" (union official).

"People form parochial attachments. They have an emotional and not a clinical view" (consultant).

The Area Health Authority

Why did the AHA change its mind in less than a month and decide to retain Maine Road? The pressure of public opinion was undoubtedly a factor. This has been attributed to the fact that a third of the AHA are local councillors who, when they attend, can reverse any decision by sheer weight of numbers. Furthermore, it has been suggested that local councillors are susceptible to public opinion because of their own future election prospects.

"The AHA is susceptible to public pressure" (manager).

"I am aware of how councillors can be manipulated by the public" (AHA member).

"The councillors are swayed by public opinion"
(AHA member).

"If they (the councillors) turn up in force
they can reverse any decision" (AHA member).

Interestingly enough, there were six councillors out of 15 at the July meeting which confirmed support for the closure of Maine Road, and five out of 14 at the second meeting which voted for retention, although the proposal for retention was proposed and seconded by councillors. So, public pressure must have affected the AHA generally and not just the councillors.

Another pressure on the AHA would have been medical opinion. The support of the consultant obstetrician for retention has already been discussed. In addition to this a new consultant member of the AHA was present at the August meeting. According to the CHC secretary, he pointed out that a closed hospital could never be re-opened whereas closed wards could and

"I feel this influenced a lot of members
when they voted" (CHC secretary).

Another member of the AHA - a professor of surgery - had been quoted in the press in July as being "worried" about the closure. Medical opinion must have appeared unanimous in its opposition to the closure. Consequently, the AHA was subjected to both medical and public pressure for the retention of Maine Road.

Having decided on the retention of Maine Road, the closure of the units at Sackville and King Street hospitals was virtually automatic. The unions and CHCs were convinced of the need for

rationalisation and had to accept the alternative if Maine Road was retained. Staff at these units were taken by surprise and were unable to mount an effective opposition campaign.

Furthermore, as it was the closure of wards and not an entire hospital, they were unable to command the support of ancillary staff whose jobs would not be jeopardised.

Summary and Conclusions

The attempt to close Maine Road failed. This can be attributed to a well-coordinated opposition campaign which whipped up enough public and medical support to persuade the AHA to vote against the closure of Maine Road. In addition to this, there is evidence of managerial mistakes in the handling and presentation of the closure proposal. Most notable of these, perhaps, was the way in which they were totally unprepared for the resistance they faced, and their inability to convince anyone of the financial or medical arguments for the closure, despite having achieved a commitment to rationalisation.

This contrasts sharply with Midville, where management was well-prepared for opposition and able to provide acceptable reasons for closure. The vastly different backgrounds of the two AHAs also played a part. Northville has a history of managerial inflexibility and strained industrial relations which made resistance all the more likely. The existence of a

militant and unified staff organisation with close links with other groups must have increased the chances of success.

Midville, on the other hand, had created and sustained co-operative industrial relations. In addition to this, the unions and the CHC were relatively powerless. Under these circumstances, widespread opposition was unlikely.

Chapter Ten

The Environment

It has been argued above, in chapter two, that the environment has an important part to play in influencing the nature of life within organisations. Conventional organisational analysis has met with criticism from a number of quarters for ignoring this relationship, including Marxist writers who emphasise

"the causal primacy of the relationship between organisational structure and process and the nature of society in which they occur conventional organisational analysis takes a rather bland view of this relationship if it discusses it at all" Salaman (1979) p 26-7.

However, as Aldrich argues

"many questions of interest to organisational sociologists today require a perspective that takes account not only of the internal structure of organisations but also the forces in their environment" Aldrich (1979) p 1.

Closure is an area of interest in which the environment has important implications, and this research tries to ensure that its impact does not go unnoticed. This chapter documents the broader societal features which impinge on the issue of closure. The environmental factors which have a bearing on a specific organisation are discussed in the following chapter, when the individual case-studies are analysed.

The development and structure of a society will have implications for the closures that occur within it. Gallie (1978) has argued that French workers are more radical and revolutionary than their British counterparts. This, argues Gallie, is due to differences in the process of industrialisation in the two countries. This could mean that French workers are less likely to accept announcements of closure than are British workers. Lane (1981) has suggested that trade unions in Italy have always been more concerned with issues of job security and unemployment than those in Britain. As a result, they are better prepared and equipped to fight redundancy and closure.

The legislation of a country will have a bearing on closure. Fryer (1973) argues that, not only does it have direct implications, it also embodies certain values and assumptions. Fryer argues that the public policy on redundancy in this country implicitly acknowledges the managerial prerogative in determining and selecting redundancies, and it conveys an impression that redundancies are, at least in some circumstances, justifiable, inevitable and desirable.

Societal factors may have an influence on the way in which announcements of closure are received. Employees in different countries may be more or less disposed to contest closure. Such an analysis, however, requires data from other countries if comparisons are to be made and conclusions drawn. This has

proved to be outside the terms of reference of this study. It has been possible, however, to document some temporal changes by drawing on data from the 1970s. This decade is particularly fascinating because it is during this time that economic difficulties in Britain have made closure a familiar occurrence. Interestingly, changes in attitudes to closure have taken place within this period.

The Economic Environment

The tables below illustrate the decline in the economic fortunes of Britain. The problems appear to have been initiated by the 1973-4 oil crisis which triggered off a reduction in industrial output in 1974 and 1975. Output has risen again since then but not past its 1973 level. In 1979 and 1980 it fell again. Unemployment has risen dramatically, passing the one million mark in 1975 and reaching two million in 1980. In March 1980, it stood at over 10% of the population. The number of unfilled vacancies decreased substantially in 1975 and 1976. They increased slightly over the next three years but appear to have declined again in 1980. High unemployment rates and decreasing numbers of vacancies indicate that jobs are being shed, and this is supported by the redundancy figures. Again there is a trough around 1973-5, followed by a slight improvement, followed by another trough towards 1980. Some of these redundancies are inevitably due to bankruptcies which rose

Table 10.1

Index of Industrial Production

Year	Average 1975 = 100	% Change
1970	99.7	+0.1
1971	99.8	+0.1
1972	102.0	+2.2
1973	109.5	+7.3
1974	105.1	-4.0
1975	100.0	-4.8
1976	102.0	+2.0
1977	105.8	+3.7
1978	109.8	+3.7
1979	112.6	+2.6
1980	105.0	-6.7

Figures from the Annual
Abstract of Statistics.

Table 10.2

Unemployment in the UK

Year	%	% Change
1970	2.6	+8
1971	3.5	+34
1972	3.8	+8
1973	2.7	-28
1974	2.6	-3
1975	4.1	+57
1976	5.7	+39
1977	6.2	+8
1978	6.1	-1
1979	5.8	-4
1980	7.4	+27

Figures from the Annual
Abstract of Statistics and
Department of Employment
Gazette.

Table 10.3

Employment Vacancies Unfilled in GB (000's) notified to employ-
ment officers

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Jan	179	144	103	185	285	..	87	..	157	214	185
Feb	181	138	112	219	267	181	97	132	170	215	178
March	184	130	119	244	267	178	107	143	184	226	175
April	193	131	130	273	928	173	117	154	202	249	174
May	204	145	156	323	336	159	125	167	226	275	164
June	196	135	140	301	324	164	122	164	214	266	176
July	201	132	153	337	330	143	127	161	217	259	132
August	189	128	154	335	303	136	128	156	212	246	118
Sept	192	125	158	353	307	141	139	159	231	252	119
Oct	183	119	166	365	299	129	138	167	240	245	
Nov	169	114	174	363	271	113	..	158	230	229	
Dec	159	107	180	348	..	101	..	153	219	203	
Total	2230	1548	1745	3646	3614	1618	1187	1714	2502	2627	1421
Monthly Average	185	129	145	303	328	147	118	155	208	218	157

Figures from the Annual Abstract of Statistics.

Table 10.4

Number of Redundancies Notified to Local Offices of the Employment Service Agency

	1973	1974	1975	1976	1977
Jan	8629	8783	28193	22943	15833
Feb	9258	9891	24108	17105	8639
March	9093	9554	19824	17549	12244
April	7321	7934	16360	14205	14888
May	4605	5960	25343	10914	13510
June	7588	8879	23378	12294	13218
July	6704	7691	21271	14066	14646
August	3660	11075	18848	9290	11881
Sept	5863	9148	18234	9892	12886
Oct	5026	15854	21043	13770	16678
Nov	6901	20968	17512	9682	8610
Dec	6721	13625	15804	12226	-
Total	81369	126093	249918	163936	143033
Monthly Average	6780	10507	20826	13661	13003

Figures from the Department of Employment Gazette (Jan, 1978 p 50)

Table 10.5

Number of Redundancy Payments made under the Redundancy Payments Act 1965

1969	238290
1970	275563
1971	370221
1972	296120
1973	176919
1974	182161
1975	340212
1976	313728
1977	267234
1978	255484
1979	254627
1980	491168

Table 10.6

Insolvencies in England and Wales Company Liquidations

Year	Numbers	% Change
1971	3506	
1972	3063	-12
1973	2575	-15
1974	3720	+44
1975	5398	+45
1976	5939	+10
1977	5831	-9
1978	5086	-12
1979	4537	-10
1980	6876	+51

NB Only those employees with more than two years service qualify for payments.

Figures supplied by DoE.

Table 10.7

General Index of Retail Prices
% changes on a year earlier (UK)

1971 (Jan)	+8%
1972	+8%
1973	+8%
1974	+12%
1975	+20%
1976	+23%
1977	+17%
1978	+10%
1979	+9%
1980	+18%
1981	+13%

Figures from DoE Gazette.

during 1974 to 1976 and again in 1980. In addition to this, larger concerns are rationalising operations and reducing manning requirements. BSC, for example, has shed 130,000 jobs between 1968 and 1978 (ISTC, 1980), and has closed more than 17 steelworks since 1974 (see Bryer et al, forthcoming). BL shed 12,000 jobs in 1978 alone (IWC, 1978).

These figures demonstrate the existence of a recession in Britain from around 1974 onwards. There is evidence of a slight respite between 1976 and 1979 but only in the form of a slowing down in the rate of decline, not an absolute improvement. An added complication, particularly during the early part of the recession, has been high rates of inflation.

Attitudes and Action in the Industrial Sector

What effect has the economic recession had on closures and the way people respond to them? The recession has inevitably led to an increasing number of closures in the industrial sector, but there is more to it than this. It has, for example, been argued that economic changes can produce attitude and value change.

The research which has been done in this area has focussed on the increase in prosperity and affluence which has been enjoyed by Western societies in the post-war period. Inglehart (1977) argues that this has led to a change in values away from a preoccupation with material and economic issues, towards a concern for the quality of life. Reich (1970), Yankelovich (1973, 1974), Rokeach (1974/5) and Dalton (1976/7) have found empirical evidence to support Inglehart's hypothesis.

Inglehart argues that these post-materialist values have persisted into the seventies, despite the recession.

"Recent economic stagnation does not seem to have undone the effects of the twenty fat years from 1950 to 1970" Inglehart (1977) p 21-22.

Others, however, have disagreed with this. Abrams (1974) conducted a study to test Inglehart's theories in 1973-4. He found that values in Britain were overwhelmingly materialistic. The bulk of Inglehart's work was conducted a year or two before

Abram's and it seems feasible to suggest that Inglehart captured the post-materialist values of the late sixties and early seventies, whereas Abrams tapped a reversion back to materialism as the recession started to take hold.

There seems little argument that the 1960s represented a new era in which new issues and values began to appear, and in which a concern with the quality of life manifested itself. Flower power, hippies, CND, student unrest, protests against Vietnam, civil rights movements are synonymous with the sixties.

"The general prosperity and rapid economic growth of the 1950s and early 1960s apparently tended to lessen concern with bread and butter issues. At any rate, economic issues tended to be overshadowed by concern about the cold war, civil rights, law and order, urban violence, pollution and the involvement of the United States in Vietnam" Glenn (1973/4) p 20.

It seems, however, that the seventies saw a change in this as economic issues began to re-emerge. Glenn (1973/4) notes that, whereas the most important problem facing Americans in 1968 was Vietnam, in 1971 economic problems were mentioned twice as often as any other type of problem. Nie et al (1976) point out that the major issue 1960-4 was race, between 1964-8 it was Vietnam, followed closely by race. By 1968-72, however, these issues had been crowded out by economic concerns. Miller & Levitin (1976) argue that almost four out of every ten Americans, in 1972, identified a foreign or international

problem as the most important issue facing their country. By 1976, one in two Americans mentioned inflation and an additional one in three cited unemployment.

The evidence from America, combined with Abram's British data, indicates that there has been a return to materialism and that this seems to be bound up with the economic difficulties facing both countries (for American statistics see the tables below). This explanation is all the more persuasive when it is remembered that, although the current recession was precipitated by the oil crisis, inflation and unemployment were beginning to manifest themselves towards the end of the sixties.

"By 1976, the issues, events, symbols and many of the popular and political leaders that had defined the New Politics no longer commanded public attention. To a nation which had endured more than two years of Watergate and several years of economic distress, the concerns of the New Politics seemed distant" Miller & Levitin (1976) p 190.

It appears that values are linked to changes in economic fortunes, responding to both increased affluence and declining prosperity. The recent recession seems to have brought a move away from the post-materialist values documented by Inglehart. In industry, this has been marked by a concern for cost-effectiveness. See Pettigrew (forthcoming) for a comparative analysis of how a company's organisational development policies and activities were influenced by the UK socio-economic context

Table 10.8

Unemployment in America

Year	%
1970	4.9
1971	5.9
1972	5.6
1973	4.9
1974	5.6
1975	8.5
1976	7.7
1977	7.0
1978	6.0
1979	5.8
1980	7.1

Table 10.9

Changes in Consumer Prices
(America)

Year	% Change
1970	+5.5
1971	+3.4
1972	+3.4
1973	+8.8
1974	+12.2
1975	+7.0
1976	+4.8
1977	+6.8
1978	+9.0
1979	+13.3
1980	+12.4

Table 10.10

Industrial Production (America)

1967 = 100

Year	Index	% Change
1970	107.8	-3.0
1971	109.6	+1.7
1972	119.7	+9.2
1973	129.8	+8.4
1974	129.3	-0.4
1975	117.8	-8.9
1976	130.5	+10.8
1977	138.2	+5.9
1978	146.1	+5.7
1979	152.5	+4.4
1980	147.1	-3.5

All figures from Economic Indicators.

between 1965 and 1981. Successive governments have also been concerned with economic problems. Cash limits were introduced, affecting most of the public sector. Four announcements were made on cuts totalling £8220 million in April 1975, and February, July and December 1976 in an effort to curb inflation (Fryer et al, 1978).

If owners and managers were concerned with the declining economic situation, there is evidence to suggest that employees were equally worried, particularly by the twin problems of increasing unemployment and rising inflation. The number of strikes and days lost were higher in the first half of the decade and this may indicate efforts to protect earnings (see the tables below). Although the percentage of strikes does not show any distinct pattern, the percentage of days lost due to pay claims rose from 65% in 1965 to 90% in 1971 and 1972, and remained at over 70% until 1976. Furthermore, the index of average earnings shows that wage rises kept ahead of inflation until 1976. These figures suggest that workers took steps to protect themselves against inflation for the first half of the seventies.

In addition to pay claims, employees were also engaged in widespread action against closure and redundancy, most notably in the form of the factory occupation: the work-in or sit-in. This, argue Hemmingway & Keyser (1975) was a phenomenon of the

Table 10.11

Industrial Disputes (UK)

Number of Stoppages			WDL*000's		Numbers Involved 000's	
1970	3906	(+25)	10908	(-57)	1793	(+8)
1971	2228	(-42)	13589	(+24)	1175	(-34)
1972	2497	(+12)	23923	(+76)	1726	(+46)
1973	2879	(+15)	7145	(-70)	1513	(-12)
1974	2922	(+1)	14845	(+107)	1622	(-7)
1975	2282	(-21)	5914	(-60)	789	(-50)
1976	2016	(-11)	3509	(-40)	670	(-15)
1977	2703	(+3)	10378	(+195)	1155	(+72)
1978	2471	(-8)	9391	(-7)	1003	(-13)
1979	2080	(-15)	29051	(+209)	4583	(+356)
1980	1262	(-39)	11910	(-59)	789	(-82)

Figures in brackets denote annual rate of change.

Average number of strikes 1970-4 = 2886

1975-9 = 2310

Average number of WDL* 1970-4 = 14082

1975-9 = 11648

*WDL = Working Days Lost

Figures from the Annual Abstract of Statistics.

Table 10.12

Number of Strikes/1000
Employees (UK)

1970	0.17
1971	0.10
1972	0.11
1973	0.12
1974	0.12
1975	0.10
1976	0.09
1977	0.11
1978	0.11
1979	0.09

Table 10.13

Number of WDL/1000
Employees (UK)

1970	467
1971	614
1972	1326
1973	315
1974	651
1975	260
1976	155
1977	458
1978	414
1979	1273

Average number of strikes/1000 employees 1970-4 = 0.12

1975-9 = 0.10

Average number of WDL/1000 employees

1970-4 = 676

1975-8 = 512

Figures from the Annual Abstract of Statistics, also see Smith (1978), tables 6, 7.

Table 10.14

Percentages of Strikes and WDL over Pay

Year	% Strikes	% WDL
1965	49.8	64.7
1966	53.5	71.4
1967	53.1	62.3
1968	46.0	77.6
1969	40.6	74.6
1970	35.7	85.3
1971	47.2	91.3
1972	40.7	90.9
1973	49.1	72.8
1974	34.2	89.7
1975	42.2	75.6
1976	56.6	53.3

Figures from Smith (1978).

Table 10.15

Index of Average Earnings: % Change

1970 (Oct)	13.5	
1971	11.1	(8)
1972	15.7	(8)
1973	15.1	(8)
1974	20.0	(12)
1975	23.4	(20)
1976	13.2	(23)
1977	8.6	(17)
1978	13.8	(10)
1979 (June)	13.4	(9)
1980 (June)	21.7	(18)

Figures in brackets denote annual percentagn increase in the retail price index.

Figures from DoE Gazette.

early seventies, as there is no significant historical record of the use of sit-ins. Clarke (1979) has estimated that between 1971 and 1975 there were 200 factory occupations involving 150,000 workers. Hemmingway & Keyser suggest that the use of the occupation against closure and redundancy became more popular between 1970 and 1975. They found 11 such occupations in progress in the first six months of 1975, whereas there had been only 5 in the first six months of 1972. This, it has been suggested, is because the sit-in is a more effective weapon than the strike in the case of a closure (Hemmingway & Keyser, 1975; Greenwood, 1977). Greenwood (1977) argues that it prevents the disposal of the contents and of the factory. He estimates that the sit-in at the Norton Villiers Triumph

factory in Meriden prevented the sale of £7 million in assets.

The early seventies were also notable for the founding of the new worker co-operatives at UCS in 1971, Fakenham in 1972, Meriden in 1973-5, Kirkby in 1972 and 1974, and SDN in 1975. These worker-led organisations emerged out of occupations as the original owners bowed out, leaving employees to run things for themselves. It was the founding of UCS, after a well-publicised occupation, which initiated the increase in the use of the sit-in.

"The key incident which sparked a more rigorous British interest in this form of industrial action was the occupation and work-in at Upper Clyde Shipbuilders in 1971" Hemmingway & Keyser (1975) p 5.

The motivation behind these occupations appears to have been a pragmatic response to a worsening economic climate which reduced the chances of finding alternative employment. It was not a radical attempt to assert a new form of worker-based control. As James Airlie, one of the leaders of UCS, declared

"our only purpose is to save the jobs of the men. If, as a by-product, a new form of protest or control comes about then that is welcome - but it is not our aim"
Buchan (1972) p 144

and at SDN

"their united struggle to set up a co-operative appears to have been motivated by pragmatic as opposed to radical reasons From our analysis it would appear that the SDN workers realistically appraised their own personal situations

against the prevailing dismal market conditions of 1975 Glasgow, and regarded the SDN as an organisation capable of rescuing them from a seemingly hopeless situation" Bradley (1978) p 4.26

A glance at the local unemployments rates, in the table below, confirms this. All the co-operatives, apart from Fakenham, were established in areas where unemployment was considerably higher than the national average.

The emergence of these new tactics - the occupation and the worker co-operative - were limited to relatively small numbers of people and closures. This should not, however, detract from their importance as new weapons, deployed to protect employee interests in the facing of increasing economic hardship. Furthermore, the support they attracted indicates attitudes that were opposed to the widespread closure and redundancy that was becoming apparent. The campaign to save UCS from closure, for example, involved 100,000 stopping work and 50,000 joining a demonstration in Glasgow on 24th June 1971. On 18th August there were 200,000 strikers and 80,000 marchers (Greenwood, 1977 p 36). In addition to public support, UCS attracted support from the TUC.

The Congress has always fought the question of redundancy or closure on a national scale, leaving specific cases either to the unions involved or local officials or stewards. Never before had the TUC committed itself so fully to a fight against one closure. That it gave such support to a Communist-led stewards' movement made its involvement remarkable" Buchan (1972) p 96.

Table 10.16

Local Unemployment Rates

Area	Year (June)	Local Rate	National Ave.
UCS, Glasgow	1971	6.5	3.2
Fakenham, Norwich	1972	2.5	3.6
Kirkby, Liverpool	1972	7.2	3.6
	1973	6.6	2.4
	1974	5.6	2.3
Meriden, Coventry	1973	2.3	2.4
	1974	2.4	2.3
	1975	4.4	3.7
SDN, Glasgow	1974	4.7	2.3
	1975	5.5	3.7

All figures from DoE Gazette.

It has been suggested that occupations and co-operatives were pragmatic responses to a difficult economic environment. If this is the case, and they were able to attract such widespread support, why have they not persisted into the latter half of the decade, as employment difficulties have worsened. As Hemmingway & Keyser wrote in 1975

"there is no obvious reason why one should regard the redundancy sit-in as only a temporary phenomenon" p 32.

It appears, however, that the use of the occupation has declined

considerably, and the phenomenon of the worker co-operative all but disappeared. Unfortunately there are no figures on the number of occupations since 1975 (this apparent lack of interest is significant in itself), but a cursory glance at the Morning Star indicates a decline. An examination of the paper for the first week in September between 1970 and 1979 found 8 references to UCS in 1971 and 2 to an occupation at a Plessey factory. In 1972 there were 4 references to UCS, in 1973, one reference to an occupation of a Seiko factory. There were no mentions of sit-ins in 1974 or 1975. In the first week of September 1976, there were 3 references to the Cammel Laird occupation. Since then, there has been only one other reference - to the increasing problems facing the Meriden Co-operative. These figures are not conclusive but they do suggest either fewer sit-ins, or a lessening of public interest in them. This tentative evidence is supported by the fact that only one occupation - at the Mecanno factory - has received widespread press coverage between 1976-9. Furthermore, there have been no new co-operatives, and only Meriden remains in existence.

Greenwood (1977) argues that the disillusionment had set in before 1975. He maintains that Kirkby, Meriden and SDN did not lead to a "substantial protest of even local dimensions" (p 36).

There have been some attempts to contest closure in the latter

part of the 1970s. The most notable of these perhaps, has been the campaigns to prevent the closure of steelworks by BSC. Local action committees, or similar groups, were formed to prevent the closure of Shelton, East Moors, Ebbw Vale, Shotton, Hartlepool, Cleveland, Torcross, Corby, Bilston and Consett steel works (see Bryer et al, forthcoming). These campaigns all failed because, argues Bryer,

"national union leaders failed to mount an effective campaign to resist the closures"
Bryer et al (forthcoming) p 290

and this rendered the locally led action committees ineffective. The reason for this inaction was, according to Bryer, the result of the failure of national leaders to question the rationale behind the closures. Instead, they accepted the economic and technical arguments put forward by BSC to justify the closures, as this extract from a paper written by the Secretary of the Steel Committee in 1974 demonstrates.

"The steel industry in this country is passing through a time of rapid, far reaching and continuous change. This has posed a great dilemma for the unions concerned with the industry.

The unions know full well that all the other major steel industries in the world are undergoing changes in response to alterations in their environment, brought about in particular by the advances made in recent years in iron and steel-making technology, in the nature of customers' requirements (eg for new types and qualities of steel), and in the re-location of their main source of raw material supplies. The objective of each national industry in making these changes is to continually improve its competitiveness in order to be able to

capture a larger share of world markets for its products, or at least retain that which it already has. The unions also recognise, therefore, that in these circumstances comparable changes must take place in the British steel industry unless it is to be condemned to an obsolescent technology while its competitors rush headlong into a new steelmaking era

These are the hard truths, of which the Steel Committee have been reminded time after time over the past few years in one meeting and another with successive Ministers and the Chairman and Chief Executive of the BSC" Bryer et al (forthcoming) p 319-20, (my italics).

It appears that the continual justification of closure and redundancy on economic, technical and commercial criteria can make them more acceptable because they are considered necessary or even desirable. This reinforces the values which Fryer (1973) argues are implicit in public policy

"where redundancy is concerned, public policy has defined the problem largely in managerial terms The assumption has not been that redundancy as such is undesirable and should, therefore, be eliminated. On the contrary, the very legitimacy of redundancy has been defined in terms of how best to facilitate managerial decision-making and encourage workers to accept the inevitability, indeed, the desirability of redundancy" Fryer (1973) p 3.

If BSC took pains to justify their closures, there is no reason to suppose that other companies do not do the same. The Camerons and Andersons case-studies provide two examples of companies which took a great deal of trouble to explain the

reasons behind closure.

An analysis of the reasons given in press statements for plant closures by Courtaulds demonstrates the trouble taken, in the early seventies, to justify closure and absolve the Company of all blame. One way in which this was done was by pointing out the efforts made by Courtaulds to prevent or delay closure.

"In spite of strenuous efforts over the past year to expand all the subsidiary's processing activities, business has continued to decline. Costs had risen due to higher wages and prices of raw materials and it had not proved possible to raise selling prices to compensate"
Times article on the closure of a Courtaulds subsidiary (15/7/70) p 19

"We have spent a lot of money on it but it is a costly process and the product has been more susceptible to the difficult trading conditions than most man-made fibres, and prices have been well below the cost of the product. We have continued to bear losses for a long time in the hope that the situation would change, but we have got to the point where there is no sign of any change in the market situation" Times article on the closure of a textile plant in North Wales (23/10/76) p 17.

"The situation has been aggravated by the chronic over-capacity in this country and in Europe. The plant at Bwlais has been kept running to maintain employment but its operations have been quite uncompetitive" The Times (23/10/76) p 17.

"Although the Company has made strenuous efforts to improve trading operations at the Grantham factory significant losses have been incurred for a number of years and these have continued long beyond commercial acceptability"
The Times (28/10/76) p 21.

Other closures have been attributed to labour problems, to the extent that a change in the workforce's attitude was all that was required to prevent closure. Skelmersdale factory which was later reprieved, was

"the inevitable consequence of the cumulative effect of labour difficulties" The Times (11/10/72) p 1 and 19.

"The Company said that the decision had been taken because of the industrial disruption there A management spokesman said last night that any move to re-open the plant would depend upon the attitude of the workforce" Times article on an acrylics plant at Grimsby (20/12/74) p 16.

Other closures were attributed to rationalisation plans, rather than panic measures.

"The extensive rationalisation of productive capacity is the result of a full internal review by Courtaulds of all its home and overseas operations rather than a series of panic reactions to market conditions" Times article on the closures of factories in Skelmersdale, Rochdale and Grantham (28/10/76) p 21.

Rather less trouble was taken to explain the reasons behind later closures, or to ensure blame would not be attached to the company. Virtually all the closures documented in the Times and Daily Telegraph in 1978-80 were explained by short statements, mainly attributing them to demand or technology factors.

"More than 500 employees are to lose their jobs because of falling orders" Times article on redundancies at Aintree and Wrexham (4/3/78) p 19.

"Courtaulds blames world over-capacity and severe competition from low cost imports from America for the decision" The Daily Telegraph on the closure of three textile plants in Northern Ireland (15/9/79) p 36.

The works is "undoubtedly a victim of fundamental technological changes in the textile industry" The Times on a Preston factory (19/11/79) p 18.

"Both mills were operating as a loss and were firm in the red" The Times on two mills in Cumbria (17/5/80) p 19.

"A group official blamed falling demand for yarn resulting in over-capacity and increasing losses" The Times on the Lansil Works in Lancashire (27/9/80) p 17.

Courtaulds "blamed the closure of the mill on problems caused by cheap imports and the relative strength of sterling" The Times on an Oldham mill (11/12/80) p 17.

The continual use of validating statements by firms to justify their closures on rational criteria appears to have made them more acceptable, although they may still be viewed as unsavoury. There is an abundance of evidence to suggest that firms do try to justify their closures and the data also indicate that these justifications have been accepted, to the extent, perhaps, that Courtaulds no longer feels the necessity to divest itself of all blame by attributing it to someone else or by pointing out their efforts to prevent closure. To put it simply, there is no need; closure has become a fact of life.

If closure is viewed as necessary, justifiable or even inevitable,

doubt is cast on the legitimacy of opposition to closure. In the early seventies, UCS promoted the

"popular legitimacy of the fight for a livelihood" Hemmingway & Keyser (1975) p 5.

"UCS promoted the idea throughout this country and abroad that unemployment and redundancy need not be tolerated" Clarke (1979) p 18-9.

In other words redundancy and closure were contested simply because they were morally and socially undesirable. But if closure is defined as economically necessary, opposition on these grounds may be deemed irresponsible or emotional. In such a climate of opinion, resistance is likely to be on a weak footing, unless it can demonstrate rational, technical, commercial or economic reasons why the factory should not close.

It appears that the legitimacy of closure has been redefined over the last few years, in that it has become more acceptable for the reasons mentioned above. Dowling & Pfeffer (1975) and Pfeffer & Salancik (1978) argue that organisations strive to achieve social legitimacy for their actions to ensure support for their continuing existence.

"The manipulation of social legitimacy to maintain social support can only be achieved if one is able to argue convincingly that what the organisation is doing is just and worthy" Pfeffer & Salancik (1978) p 195.

To emphasise the worthiness of their actions, employers may ensure that closures proceed in a "respectable" way. (For examples of this, see the analyses of the two industrial case-

studies in the following chapter.) An alternative or, even a complementary solution is for employers to redefine legitimacy and make the act of closure more acceptable. This is exactly what has happened: the more closure is justified, the more justifiable it becomes.

There is another factor which helps account for the relative lack of action against closure in recent years. This is the decline in power of unions and employees which is also indicated by a reduction in the number of strikes and days lost and a slowing down in the annual increase in earnings (see tables 10.11, 10.12, 10.13, and 10.15). It has been argued that the high rates of unemployment seen in the 1970s have eroded the power of the unions (Eagley, 1965; Scitovsky, 1978)

"When there is a large surplus of labour either visibly unemployed or hidden in rural or other labour reserves, the bargaining position of trade unions is relatively demoralised or quiescent"
Rowthorne (1980) p 154.

It has been argued that this loss of power has led to the "new realism" of which the media currently talk, where employees do not make large claims or engage in industrial action for fear of losing their jobs.

The increasing acceptability of closure and the declining power of the unions has meant that opposition has become more difficult to create and sustain. It also means that if opposition does occur, it will be more likely to adopt an economic stance,

rather than a moral one. As closure becomes viewed as legitimate, overt measures taken to prevent it are more likely to be deemed illegitimate and so opposition groups, such as those at BSC, have to rely on unobtrusive strategies to convince management that their decision is wrong on rational grounds. The redefinition of closure is the result of attempts to justify many closures. It is unlikely to be within the ability of one employer to effect such general changes in attitude.

Andersons

This closure illustrates the developments discussed above, showing how employees, disillusioned with overt measures, tried to contest the closure on economic grounds.

Senior UK management knew about the possible closure only three weeks before their employees, consequently they were unable to prepare the ground for the reception of the news. Under these circumstances it seems reasonable to suggest that the initial reaction of employees was "natural" in the sense that there had been no intervention by management to soften the blow.

The decision of the stewards and their members, on hearing the result of the feasibility study, was not to take any form of industrial action such as a strike, go-slow or occupation. Instead, they formed a joint union committee to discuss how

the threat to the factory should be tackled.

This reaction was surprising for a number of reasons. Firstly, unemployment in the area was high. When the feasibility study was announced in September, 1978, it was 9.2% against a national average of 6.4%. In November, 1978, when the study made its report, unemployment in the area was 8.9% against a national average of 5.8%. There had, in addition to this, been a series of closures and redundancies in the area. For example, one company had reduced its workforce from 3,000 to less than 300. Another family firm had made more than 300 employees redundant. A firm of wool spinners had gone into liquidation with 300 workers losing their jobs. Even those manufacturing companies continuing to operate were estimated to have reduced their manning requirements by between 10-40%. (Details provided by the Chief Executive of the District Council.)

Another reason why the absence of industrial action was so surprising was the fact that the workers at Newlands were no strangers to overt forms of protest. In 1977, 13% of the available hours had been lost due to industrial action, which had included a seven week strike and lock-out.

Table 10.17

Percentage of Available Hours Lost Due to Industrial Action

Year	%
1975	0.16
1976	3.88
1977	18.04
1978	0.45
1979 (to Sept)	0.058

Figures supplied by the Company.

In spite of these factors - the impact the closure would have on an already depressed community and the previous experience of the workforce in past industrial action - the announcement of the study and its recommendations did not spark off a strike or an occupation. The main reason for this was that the stewards had evaluated the abysmal success record of previous attempts to prevent closure in this way, and decided that their own prospects of victory with this method were limited.

"The Joint Committee had considered the fortunes of the co-operatives, work-ins and other attempts by trade unionists, whose livelihoods were threatened, to hold on to their work. They felt that a lot of struggle and a lot of publicity had produced only a little and sometimes nothing for the workers involved" (consultant).

"We've seen sit-ins, work-ins, pickets and demonstrations, but in the end firms have still closed down" (steward).

Furthermore, stewards and union officials had been convinced of the precarious position of the Company and felt that industrial action might jeopardise the entire UK operation.

"These things had to be done or the Company itself would collapse. Nobody wants the Company to collapse because there are a lot of people employed there" (stewards).

"Everyone recognised that to stop work would hurt Andersons, since they needed production until the French factory was tooled up" (consultant).

Despite knowing or believing that they could put pressure on the Company, the stewards felt that such a move would be counter-productive since it could threaten the jobs of many more workers. Although they deemed this sort of action as illegitimate, they did not abandon the idea of trying to save the factory. As the saga continued, officials and stewards latched on to another way of fighting the closure. This method was, in effect, provided by management's initial decision to use a feasibility study to assess the viability of Newlands. This led to the commission of their own study by the unions, who believed it would provide uncontestable economic grounds for a reprieve.

"We thought that we could prove to Andersons that this was a viable plant" (steward).

By doing this, the stewards and officials adopted measures which they viewed as legitimate - an unobtrusive strategy designed to persuade management to rescind its decision, instead of overt tactics to force them into a change of plan. This was viewed as

legitimate action by management in so far as they considered it far preferable to any form of industrial action and who, according to one UK director, would have willingly entertained any feasible plans for saving the plant suggested by the unions.

This reaction by employees and unions marks a significant difference to the occupations of the early seventies. A repeat of this type of action was considered undesirable and unproductive. The economic rationale was accepted and stewards tried to find economic, rather than moral, arguments to contest closure. This illustrates a change in attitudes - closure is acceptable, although still unpalatable, if it is demonstrated to be economically necessary. Therefore opposition to it requires a rational base - industrial action is illegitimate and moral pressure is inadequate.

Camerons

The first announcement of the closure at Mountside was in March 1975 but this passed largely unnoticed. A more detailed announcement was made the following year. This attracted more attention but did not spark off any resistance to the closure. The timing of these announcements may partially account for this. The phenomenon of factory occupation and worker co-operatives had virtually ended by 1976. What was probably

more significant than this was the fact that unemployment in the city was not unduly high, hovering around or just below the national average. In addition to this, workers were released gradually over five years so there was no sense of flooding the labour market.

These factors alone, however, do not account for the absence of resistance at Mounside. The most important factor by far, was the management of the closure - a carefully designed exercise, prepared in advance to reduce or preferably remove the possibility of opposition. (This aspect of the closure is discussed in detail in the following chapter.) This demonstrates the importance of using a number of levels of analysis: in some cases, the environment may be particularly significant, in others its influence may be outweighed by internal factors.

The Health Service

The previous section has concentrated on the industrial sector, this looks at the public sector, in particular the health service which displays different patterns of industrial activity.

The extent of industrial activity in the public sector has increased throughout the seventies, and has been accompanied by dramatic increases in union membership. The tables below

Table 10.18

Stoppages of Work in the NHS

Year	Number of Stoppages	Number of WDL
1966	2	500
1967	1	200
1968	1	80
1969	8	7000
1970	5	6700
1971	6	4700
1972	4	98000
1973	18	298000
1974	18	23000
1975	19	20000
1976	15	15000
1977	21	8200

Figures from the Royal
Commission on the NHS.

1978	27	15000
1979	20	621000

Figures from the DoE.

Table 10.19

Number of WDL/1000 Employees
in Medical & Dental Services

1970	6.6
1971	4.5
1972	91.0
1973	269.0
1974	20.3
1975	16.4
1976	12.0
1977	6.5
1978	11.7
1979	478.0

Figures compiled from the
Royal Commission on the NHS,
the Annual Abstract of
Statistics, the DoE.

Table 10.20

Average Number of WDL/1000 Employees

Year	in the NHS	in GB
1966	0.69	100.0
1967	0.27	124.7
1968	0.11	211.4
1969	8.99	309.1
1970	8.46	499.2
1971	5.88	627.2
1972	117.8	1104.3
1973	353.5	324.4
1974	26.84	661.5
1975	21.80	270.6
1976	15.86	149.3
1977	8.44	448.0

Figures from the Royal Commission on the NHS p 163.

Table 10.21

Percentage Distribution of Stoppages and WDL between the Public and Private Sectors (UK)

Year	Stoppages		WDL	
	Public	Private	Public	Private
1966	37	63	12	88
1967	28	72	17	83
1968	19	81	15	85
1969	17	83	30	70
1970	18	82	32	68
1971	16	84	50	50
1972	17	83	48	52
1973	22	78	21	79
1974	21	79	48	52
1975	22	78	10	90
1976	29	71	18	82

Between 1966-75 public sector employment was 24-28% of the total labour force.

Figures from Smith (1978), table 13.

Table 10.22

Trends in Union Membership among Public Sector Unions

	1949	1966		1975	
NUPE	150250	248041	(65)	507826	(104)
COHSE	51319	67588	(31)	143479	(112)
NALGO	189261	348528	(62)	542918	(55)
CPCSA/CSCA	155458	146324	(-4.6)	231790	(58)
NUT	184100*	253884	(37)	264349	(4)

* 1950

Figures in brackets denote percentage change.

Figures from Fryer et al (1978).

Table 10.23

The Growth of TUC Affiliate Unions Recruiting Significant Numbers
of Health Workers

	1970	1979	
ASTMS	123800	471000	(280)
COHSE	77808	215033	(170)
HCSA*	-	4021	
HVA	5287	10881	(105)
NALGO	397069	729405	(83)
NUGMU	803653	964836	(20)
NUPE	305222	719392	(135)
TGWU	1531607	2072818	(35)

* Hospital Consultants and Specialists Association did not affiliate with the TUC until 1979.

Figures in brackets denote percentage change.

Figures from Carpenter (forthcoming).

display these trends. It has been argued that the general increase in industrial activity falls into three distinct phases (Bosanquet, 1979; Carpenter, forthcoming).

The first phase (c1970-6)

This phase was primarily economic in character as workers in all areas of public service took industrial action to improve their earnings which had fallen behind those of the private sector as a result of the incomes policies and wage freezes of the late 1960s.

"It is certainly the case that public sector unions have become more strongly militant

through their dislike of incomes policy"
Thompson & Beaumont (1978) p 67.

The result was that industrial action was taken by council workers in the "Dirty Jobs Strike" of 1970, by post office workers in 1971, by hospital ancillary workers in 1972-3, by nurses in 1974 and by consultants and junior doctors in 1975. This accounts for the boom in working days lost in 1972 and 1973.

The second phase (c1976-9)

Relative high levels of industrial activity and sustained increases in union membership have continued through the seventies. From 1976 onwards, however, the emphasis changes as local disputes start to flare up and the nature of industrial activity changes from a concern with wages to a concern with the effect of the public expenditure cuts. There were four major announcements on cuts: in April 1975 of £1100 million; in February 1976 of £4595 million; in July 1976 of £1012 million in 1977/8; in December 1976 of £1513 million in 1978/9. This meant a £30 million reduction in the budget for health and personal social services between 1977 and 1979 (Fryer et al, 1978. "Cash Limits on Public Expenditure" (Cmnd 6440) published in April 1976 imposed cash limits on about three-quarters of central government expenditure other than social security benefits (Fryer, 1979).

The public sector unions were understandably unhappy about the government's anti-inflation policies. NUPE was particularly active and published its own reply to the government, asking for a different direction to be taken. In November 1976, a mass lobby of Parliament took place and 80,000 took part in a march against the cuts organised by the public sector unions (Fryer, 1979). 1976 and 1977 saw a series of local campaigns against the cuts. This was particularly evident in the health service as a series of attempts to prevent hospital closures was mobilised. There were 64 hospital closures in 1976 and 83 in 1977. It has been estimated that there were around 100 in 1979 (Dean, 1980). This is out of a hospital population of some 2,000. The number of London hospitals has fallen from 357 in 1968 to 230 in 1979, and between 1979 and 1980, 11 hospitals and 3,000 beds have disappeared (Sunday Times, 1980). One form of opposition has been led by the CHCs who, by objecting to the closure, can ensure that the final decision is taken by the Secretary of State. In 1976, six proposed closures were contested in this manner, by 1977 the figure had risen to eighteen (Dean, 1980).

Another, more dramatic form of protest is the hospital occupation, where hospitals are kept open in spite of management decisions. This requires a well-orchestrated effort as ancillary workers, nurses and doctors have to unite to admit and treat patients. There have been a number of hospital occupations,

particularly in London, for example, at Hounslow Hospital (1976-7), Elizabeth Garrett Anderson (1976-8), St Nicholas (1976-7), Bethnall Green (1978) and Plaistow (1977). Some of these have been successful, at least in staving off closure for the time being. This recent phenomenon has been characterised by newly forged links between different health service unions and other external bodies, resulting in a broadly-based and united front (Carpenter, forthcoming).

"The last two years in particular have seen health workers turning to the broader Labour Movement for support. This process has been the most evident in the struggles against hospital closures and the cuts generally. Links have been forged with non-NHS trade unions, Community Health Councils, local councillors and MPs, trades councils, womens' groups, tenants' groups and other community organisations" Vulliamy & Moore (1979) p 26.

This characterised the situation at Northville. The closure was an issue between 1976 and 1977, at the same time as campaigns were being initiated throughout the country against cuts and closures. The fight against the closure of Maine Road Maternity Hospital, although founded by the staff there, had a backdrop of support from the CHCs, NUPE, local womens' groups and tenants' associations. Furthermore, during the last few months before the AHA took its decision on the closure, there had been a campaign against proposed cuts in services. On 24th May 1977, the DMT had announced a dramatic programme of financial measures involving the closure of

many wards and a reduction in manning.

"This action created an explosion of protest amongst many groups of staff and it brought together the trade unions and the Community Health Councils in a determination to resist the proposals" (Committee of Inquiry).

This massive protest was strong enough to elicit a promise of an inquiry from the Minister of Health.

The Midville closure took place only slightly later, starting in early 1977. Why was this not similarly affected? Bosanquet (1979) and Bosanquet & Healy have suggested that there are two distinct areas in the NHS. The majority (90%) fall into the category in which there are few industrial disputes and where both managers and employees have successfully adjusted to the problems created by Reorganisation in 1974. The remaining 10%, however, are "incident prone", with a relatively high incidence of strikes and other forms of industrial activity, as table 10.24 shows.

The incident-prone areas tend to be industrialised areas and cities, which have not yet adapted to the difficulties imposed by Reorganisation.

"The Reorganisation of the NHS led to administrative and managerial changes that disturbed existing relationships between management and staff by creating new types of managerial post and establishing new line of management" (Committee of Inquiry).

These areas have failed because they have not developed an adequate system of industrial relations to deal with the extra

Table 10.24

<u>Number of Strikes in NHS</u>			
Area	1976	1977	1978 (Jan- June)
South	4	3	3
London	6	12	15
North	5	15	8
Midlands	4	15	0
Scotland	2	2	-
Wales & West	2	2	6
	<hr/>	<hr/>	<hr/>
	23	29	29
Cities/Industrial Areas	15	24	20

Figures from Bosanquet & Healy (1979).

demands. These areas are also characterised by long traditions of working-class organisation and militancy. Thus the high number of strikes

"may well be a reflection of the fact that the trade union membership is stronger in cities and that trade union values and allegiances are already developed in previous employment and by social contacts"
Bosanquet & Healy (1970) p 328.

So, in much the same way as the formation of the Labour Movement and the background of militancy provided an impetus for Halewood workers in Liverpool to react to the authoritarian policies and pressures at Ford (Beynon, 1973), the community backdrop of values, experiences, and labour organisation interacts with wider societal pressures of reduced wages,

Reorganisation, or expenditure cuts to produce a more volatile situation.

The tables below show some comparability between the general strike propensity of an area and its position in the NHS "League Table". So, for example, Mersey RHA has a relatively high incidence of stoppages as does Merseyside in the following table. West Midlands RHA is placed high on the NHS list and Coventry and the Conurbation have a high number of both national and local stoppages. At the other extreme, the South West and East Anglian regions are low on both lists. Obviously conclusions are limited as the regions and subdivisions are divided differently and one set of figures is for 1968-73, while the other covers 1980. There is, however, tentative evidence to suggest that the strike-prone areas in the NHS tend to be those areas of the country where there are already high levels of general industrial unrest.

These findings suggest that the key to explaining militancy in the NHS lies in recognising the interaction between the wider societal pressures and the specific backdrop of community values and expectations (and, as shall be demonstrated in the next chapter, the management of the particular health authority). The issue of public expenditure cuts has tended to be taken up in areas, such as Northville, where there is already a history of unionisation and militancy. The more

Table 10.25

Industrial Action in Health Service Regions in 1980

Region	Days lost		Staff involved in stoppages with days lost		Stoppages with days lost	
Northern	149	(10)	165	(10)	4	(11)
North- Western	688	(6)	609	(7)	21	(4)
Yorkshire	1026	(4)	881	(5)	27	(2)
Mersey	3638.5	(1)	1966	(1)	23	(3)
Trent	319.5	(8)	341	(8)	14	(7)
West Midlands	3183	(2)	1011	(2)	17	(6)
East Anglian	67.5	(13)	40	(14)	4	(11)
Oxford	110	(12)	151	(11)	4	(11)
NE Thames	607.5	(7)	698	(6)	20	(5)
NW Thames	214	(9)	209	(9)	9	(8)
SE Thames	844	(5)	887	(4)	9	(8)
SW Thames	1257	(3)	892	(3)	31	(1)
Wessex	143	(11)	143	(12)	7	(10)
South Western	67	(14)	67	(13)	2	(14)
Boards of Govenors	9	(15)	9	(15)	1	(15)

Figures provided by DHSS.

Table 1C.26

Incidence of Days Lost from Stoppages by Subdivision 1968-73 (GB)

Subdivision	Ratio of Subdivision:GB annual average 1968-73	
	All Stoppages	Local Stoppages
SOUTH EAST REGION		
Central & Greater London	0.47	0.31
Outer Metropolitan	0.36	0.26
Outer South East		
- Essex	0.18	0.11
- Kent	0.38	0.24
- Sussex Coast	0.08	0.04
- Solent	0.54	0.45
- Beds, Berks, Bucks & Oxford	1.61	2.08
EAST ANGLIA REGION		
South East	0.19	0.10
North East	0.27	0.36
North West	1.37	1.69
South West	0.11	0.12
SOUTH WEST REGION		
Central	0.18	0.19
Southern	0.41	0.43
Western	0.13	0.12
Northern	0.79	0.95
WEST MIDLANDS REGION		
Central	0.78	0.80
Conurbation	1.39	1.68
Coventry Belt	4.57	6.33
The Rural West	0.50	0.65
North Staffordshire	0.63	0.42
EAST MIDLANDS REGION		
Nottingham & Derbyshire	0.92	0.30
Leicester	0.40	0.23
Eastern Lowlands	0.39	0.36
Northamptonshire	0.90	1.08
YORKSHIRE & HUMBERSIDE REGION		
North Humberside	1.44	1.95
South Humberside	1.76	2.14
Mid Yorkshire	0.39	0.59
South Lindsey	0.11	0.07
South Yorkshire	0.94	0.89
Yorkshire Coalfield	3.41	1.09
West Yorkshire	0.49	0.37

Table 10.26 (continued)

Ratio of Subdivision:GB
annual average 1968-73

Subdivision	All Stoppages	Local Stoppages
NORTH WEST REGION		
South Cheshire & High Peak	0.39	0.48
South Lancashire	1.45	1.01
Manchester	0.74	0.92
Merseyside	3.36	3.64
Furness	5.43	8.57
Fylde	0.43	0.36
Lancaster	0.83	1.34
Mid-Lancashire	1.97	1.24
North East Lancashire	0.50	0.58
NORTH REGION		
Industrial North East - North	1.92	2.05
Industrial North East - South	1.04	0.94
Rural North East - North	0.39	0.07
Rural North East - South	0.51	0.64
Cumberland & Westmorland	0.52	0.34
WALES		
Industrial South Wales		
- Central & Eastern Valleys	2.55	1.32
- West South Wales	2.99	3.56
- Coastal Belt	0.81	0.79
North East Wales	1.94	2.54
North West Wales - North Coast	0.67	0.73
North West Wales - Remainder	0.59	0.75
Central Wales	0.11	0.09
South West Wales	0.68	1.00
SCOTLAND		
Glasgow	1.95	2.57
Falkirk & Stirling	1.01	1.00
Edinburgh	1.27	0.92
Tayside	0.86	0.99
Borders	0.59	0.02
South West Scotland	0.34	0.24
North East Scotland	0.67	0.81
Highlands	0.19	0.24

peaceful, rural areas have remained untouched.

"The gulf between the incident-prone districts and the rest has grown even sharper. The contrast is most clearly seen in the case of closures. Against the few publicised disputes - mainly in a few well-known districts - there has to be set the point that from January 1976 to September 1977 6240 beds were closed" Bosanquet & Healy (1979) p 329.

The case-studies at Northville and Midville reflect the difference between the 10% and the 90%. The Region responsible for Northville is in the top five in the League, while the Region responsible for Midville is in the bottom five. Midville has experienced no local disputes since Reorganisation and suffered only minimally during the Winter of Discontent, during which time, October 1978 to March 1979, Northville had a total of 30 stoppages causing 4410 days to be lost. Furthermore, 67% of these were unofficial and presumably local in origin (figures supplied by the AHA).

The Winter of Discontent 1978-9

This marks the beginning of the third phase of industrial activity, when a massive national campaign against the government's policy of 5% wage increase was added to local action. (See, Bosanquet, 1979; Carpenter, forthcoming.) This accounts for the increase in the number of strikes and days lost in 1978-9. It has been argued by Carpenter that the unsympathetic

press coverage of these events has reduced public sympathy. This has been accompanied by sterner measures being taken by management to combat employee intransigence and so, for example, occupations at Etwall and Princess Mary Hospitals in Derbyshire and Margate have been raided, patients removed and the hospitals shut. This, argues Carpenter, could lead to the demoralisation of health workers, falling membership rates and a reduction in industrial activity.

Summary and Conclusions

This chapter demonstrates that the wider environment can have a general influence on the response to closure. The change in values and attitudes over the last decade has been the focus of attention. The evidence from the industrial sector indicates that, whereas closures in the early seventies were greeted with opposition, closure has more recently become acceptable. This is probably because there are more closures, which have been validated and justified. The use of strong arm tactics to prevent closure appears to have less credibility now, as the use of the factory occupation has declined. This could be due to the decreasing power of the unions which has resulted from rising unemployment rates or it could be the result of the acceptance of economic justifications and the belief among employees that attempts to save factories can only succeed if they work from the same basis.

The NHS represents a slightly different picture. Industrial activity has been high throughout the seventies, although there appear to be three distinct phases. The first phase was primarily economic in character, the second was a response to the impact of the public expenditure cuts. This phase consists of many attempts to prevent closures, the majority of which are local initiatives. The final phase marks a resurgence of national action directed primarily against government wages policy. The important point with health service disputes is the fact that they have been confined to a few incident-prone areas, most districts have not shown the same marked increase in industrial disputes.

It is important not to over-estimate the effect of societal factors on closures. As the data on the health service indicate, general pressures affect only certain areas and it is the interaction between the wider environment and the context of the specific closure which is significant. Suffice it to say that the environment will have an effect which should not be overlooked but, at the same time, the individual closure should be carefully examined if we are to learn any more about the response to closure.

Chapter Eleven

MANAGERIAL SUCCESS

In chapter four it was argued that a three-fold level of analysis taking into account intra-organisational processes, the context and the wider environment is necessary if the dynamics of closure are to be properly understood. The previous chapter has focussed on the environment, with particular reference to the change in attitudes resulting from the economic recession which has beset Britain since the 1970s. This chapter returns to the individual case-studies to document the remaining two levels of analysis: the implications of the context and the strategies employed by the various interest groups.

The success of interest groups in achieving their aims vis-a-vis closure will depend on their possession of power sources which are embedded in the context of a particular closure. Thus the context may be more or less benevolent to these interest groups in terms of the existence or absence of the necessary resources. The success of the interest groups will, however, depend on their ability to tactically use, as well as possess, these power resources. It is in this way that context and strategy become inter-linked.

This chapter focusses on the nature of these resources and the strategies used to mobilise them. It seeks to establish exactly what constitutes power for groups affected by closure, in both overt and unobtrusive terms, and to examine how successful interest groups are in translating these potential resources into explicit strategies designed to secure or prevent closure.

Themes and Concepts

The empirical research documented here focusses primarily on the concept of unobtrusive power. The case-studies clearly demonstrate the use of strategies by management which are designed to persuade employees and other groups to accept the closure in question. Moreover, where opposition groups have taken a stand against closure they, too, have adopted unobtrusive tactics. There have been no attempts in these case-studies by either managers or opposition groups to use overt power to defeat opponents. This is not to say that the concept of overt power has no relevance for the subject of closure; rather it illustrates that the use of unobtrusive power has been an important strategy in the context of closure for a variety of interest groups. This, in turn, suggests that unobtrusive power is a valuable concept to incorporate into a political analysis.

The successful use of unobtrusive power rests on the ability to establish the legitimacy of actions and decisions. The process of establishing legitimacy is important because it precludes opposition - a decision or action that has been deemed legitimate by a group or individual has, in effect, been accepted. In the case-studies management devised strategies in an attempt to demonstrate the legitimacy of their decision to close and its implementation in the eyes of potential opposition groups. Opposition, on the other hand, was characterised by attempts to "delegitimise" the closure, persuading other groups that the decision was wrong.

Dowling & Pfeffer (1975) have suggested that organisations strive to gain legitimacy for their goals, operations and activities, as this allows them to continue unhampered by outside intervention. Closure is by no means universally or inherently legitimate. A society that has previously emphasised growth and full employment finds it difficult to accept closure, redundancy and unemployment. Furthermore, closure leaves people without jobs, unions with fewer members and communities without services. For these reasons, unions, employees as well as the public and governments often find closure distasteful. If these groups are unable to accept closure, employers may find themselves faced with the possibility of resistance and all the dangers that this entails. Employers wishing to avoid resistance may see a need to demonstrate

that their decision was a legitimate one.

Dowling & Pfeffer (1975) argue that one way to secure legitimacy for an activity which does not already possess it is to redefine legitimacy. This process has been documented in chapter ten. It has been pointed out that such a fundamental change in attitudes is probably beyond the scope of an individual organisation. It occurs as the result of many actions on the part of many organisations which, over the years, gradually lead to a shift in values.

Another alternative, according to Dowling & Pfeffer, is to ensure that the suspect activity is associated with norms, symbols and values which do have a strong base of legitimacy. This, to a great extent, characterises the case-studies: successful managers demonstrated the legitimacy of their actions by associating them with symbols which conferred legitimacy onto them. A combination of the following symbols or mechanisms was used:

a) Climate-setting was used by managers at Mountside and Midville. It involved establishing managerial credibility and goodwill before the closure became an issue, enabling trust, working relations, communication channels to be effectively used when the closure arises. In the case of Mountside, climate-setting started with the appointment of John Oppen who instigated a general culture change to improve

relations between managers and stewards and to introduce stewards to participative management. Climate-setting at Midville started with the Reorganisation of the health service when Dale and his senior managers began to extend communication and participation with employees, unions and CHCs.

b) Tactical opportunism was used by managers at Andersons who were unable to engage in climate-setting, being aware of the closure only weeks before employees. To compensate for this they took advantage of every opportunity to demonstrate their good will and persuade employees of the necessity of closure. In the case of Andersons, it led to managers trying to find a buyer for the factory and setting up Merryvale.

c) Consultation was used by all successful managers who were quick to install and utilise communication channels with employees, unions and other groups.

d) Redundancy compensation was another feature of the successful closures. Camerons and Andersons paid amounts significantly above the State minimum. Midville was constrained by nationally negotiated agreements but offered all employees the choice between redundancy or redeployment. These arrangements provided an incentive for employees to accept the closure.

e) The reasons for closure formed part of these strategies. Great pains were taken by all managers to ensure that employees were fully aware of the pressures that had

caused the closure. These reasons were used to vindicate management's decision, to absolve them of blame for the closure and to delegitimise resistance.

Closure is an activity of dubious legitimacy but these mechanisms represent symbols with high degrees of inherent legitimacy which, when associated with a closure, confer legitimacy onto it and make it more acceptable. Managerial credibility is important - managers who are distrusted are unlikely to have their actions readily accepted. Climate-setting establishes it prior to the closure; tactical opportunism accomplishes the same thing but while the closure is in progress. It is worth noting that a manager who has been far-sighted enough to plan in advance will probably be sufficiently aware to seize opportunities during the closure. To a certain extent, the RSG at Mountside was an example of this. Discussions in this forum gave rise to opportunities to make concessions to the stewards which, in turn, ensured future co-operation on their part.

Strong norms of legitimacy underlie consultation and participation in British industry, particularly among union groups. Many large "progressive" firms such as Cadbury Schweppes and ICI have introduced participation schemes. Consultation is often institutionalised in the public sector - BSC has a number of worker directors, health authorities have an official

schedule for the consultation of various groups. All employers are legally bound to give three months notice of redundancies which involve more than 100 people.

Compensation for lost jobs is also institutionalised in the British legal system and, as such, is expected by unions and employees. Terms above the legal minimum provide employers with the opportunity to demonstrate that they are concerned for the well-being of their employees. Redundancy compensation also represents a source of power for managers. It acts as a powerful inducement to accept closure, especially when it is implicit or explicitly stated that workers stand to lose all but the legal minimum should they resist.

The explanation of the reasons behind a closure has become an important element in the management of meaning. A decision which is justified on the basis of acceptable criteria is itself acceptable. This process underlies the changes in attitudes regarding closure documented in the previous chapter - as more closures have been explained in terms of economic criteria, economic reasoning has become more acceptable, and closure has become more easy to justify on these grounds.

These symbols have been used by managers to secure acceptance to closure. In doing this, actors are using unobtrusive measures to influence sentiments as well as achieve a

substantive outcome. In fact, it is by influencing sentiments and securing acceptance that the substantive outcome - the closure - is achieved.

The Northville case is included in the following chapter because it represents an example of the failure of management to demonstrate the legitimacy of its decision. This can be attributed to a number of factors. The background of health services in Northville - the atmosphere of confusion, tension and antagonism which had existed since Reorganisation - was, from a managerial point of view, climate-setting of the worst kind. A climate of mistrust and suspicion is not the ideal circumstance into which to introduce the notion of closure. Management failed to take advantage of any opportunities which might have enabled them to demonstrate their credibility. Managers failed to use consultation or flexible redundancy arrangements to win employee support. Northville managers were unable to justify their decision to close Maine Road Hospital on either medical or economic grounds. So, whereas managers in the other case-studies were able to use unobtrusive measures to secure a peaceful closure, Northville managers did not employ such measures and were defeated in their proposal to close the hospital. This is examined in more detail in the following chapter.

The following discussion focusses on the three case-studies

in which managers were successful in demonstrating the legitimacy of their decisions and actions - Mountside, Midville and Andersons. It examines the strategies which were used and explains their success. The responses of the opposition groups are analysed in the light of these strategies and in terms of the distribution of power between the various interest groups.

The analysis in this, and the next, chapter relies on the descriptions given in the four case-study chapters. Evidence taken from these chapters is not always repeated in detail because it is assumed that the reader is already familiar with the material.

CAMERONS' CLOSURE OF MOUNTSIDE

Camerons' closure of Mountside Works is a case in which management's use of unobtrusive measures in an attempt to influence both substantive outcomes and sentiments proved remarkably successful.

Substantive and Sentiment Outcomes

Camerons was undoubtedly anxious that the closure, which was part of their rationalisation plan, should go ahead as planned. Rationalisation plans had been developed after the arrival of a new divisional chairman in 1971. Given the existence of this plan, Mountside was not a candidate for survival - there were better places to concentrate production. Management also wanted to adhere to a strict rundown schedule which would enable them to transfer production without losing business. The closure and the scheduling arrangements were, then, the substantive outcomes required by management.

It was realised, however, that this would require acceptance of the closure by the workforce. Any resistance could disrupt production and jeopardise the schedule. Furthermore, should disruption spread to other factories, the business of the division as a whole would be threatened.

"We had considered the possibility of an outright strike. That could have been quite damaging at that point because we had large chunks of the division's business, some of it perhaps not very profitable but, nevertheless important and important from the customer's point of view" (Oppen).

Furthermore, senior managers were anxious that nothing should go wrong which might jeopardise future closures. It was also Company policy to handle such matters quietly. It was

"in the minds of senior management that it should happen in a careful and relatively painless way" (divisional manager).

It seems clear from this that Camerons wished to secure both substantive and sentiment outcomes. In their own words, the aim was to "marry business and people needs" (a slogan often quoted by managers) and for this they chose to rely on unobtrusive strategies.

Climate-Setting

The key to handling this closure was, management believed, setting the right environment for change. To do this they selected John Oppen as the new works manager in 1971. He knew that

"in all probability, my job was going to be to close those works".

It was he who initiated the culture change which built up trust and co-operation between managers and stewards before the closure.

"The culture of Mountside Works up until the early 1970s was highly work oriented, authoritarian and cost conscious. It was hierarchical, and rigid with highly controlled delegation" (managerial report on the closure).

It was not an atmosphere which was conducive to the handling of a sensitive issue like closure where stewards and managers would have to work together in an atmosphere of trust.

Consequently, changes were made in the first half of the seventies to help managers, supervisors and stewards work together. It seems that attempts to introduce a new, more participative style of management were successful:

"I belong to the autocratic school. I don't believe in asking a shop steward's permission to do anything. It's my job to manage but then, particularly in a closure situation its important that everyone knows what's going on insofar as they're allowed, and you've got to spend a lot of time talking" (HoD) (my emphasis).

Both managers and stewards were aware of the changes and of the important role played by Oppen. He was definitely considered to have been the right man for the job.

"The previous works manager could not have done it because he was a different type of manager. I am not saying he was better or worse but he was the wrong type of manager for this sort of situation" (manager).

The stewards also had a great deal of respect for Oppen even though he had been instrumental in closing the works.

"I rather liked him even though he did what he did" (steward).

Oppen's personal expertise is, then, an important ingredient in the success of the unobtrusive measures used at Camerons.

The culture change was the first step. It provided a foundation for the communication and participation which was to follow. It allowed time for teething troubles to be ironed out and for groups to acquire experience in the new system before being confronted with the additional problems of closure. Such a foundation was all the more necessary because of the dramatic change involved in moving from the previous autocratic system to the new participative style essential for the closure.

Consultation

Following the 1975 announcement of a closure in five to ten years time, staff and manual working parties were set up with employee representation to study communication, individual and redeployment needs. Their reports were considered by management and integrated into the rundown procedures.

The redeployment group recommended a redeployment manager, and one was appointed in December 1975. A redeployment steering group (RSG) was also appointed, consisting of general and craft stewards. It was viewed as a natural extension of the joint consultation which had previously been established.

"Although 1976 was not a year which would present problems, the works manager saw

the need around mid-year to respond to the wish of weekly staff to be involved in the process of rundown, and submitted to works committee a draft remit for a redeployment steering group" (managerial report).

Weekly staff saw the RSG as a vehicle whereby they could make some input into the closure and safeguard their interests. The RSG had

"the responsibility for ensuring that the views, ideas and concerns of weekly staff and of the works committee are fully explored and dealt with by the redeployment manager and the personnel department" (draft remit for weekly staff RSG).

The RSG was, however, useful to management for a number of reasons. For example

"although many of the earlier meetings proved to have therapeutic value only, the group did in fact do much constructive work in identifying potential problem areas and recommending sensible processes/procedures to deal with them" (managerial report).

The RSG also kept issues out of the negotiating framework: recommendations were made to the works manager who was accepted as the final arbiter. He sometimes said "yes" to the demands of the employees representatives but he was also able to say "no". This problem solving approach was far more flexible than a negotiating framework. It meant that, despite some inevitable difference of interest, managers and stewards were working together to find acceptable solutions, rather than bargaining from opposite sides of the table. By having

Oppen as final decision-maker, it meant that he could agree or disagree on the basis of his calculation of risk, cost and acceptability rather than leaving outcomes to be decided by the rather less predictable process of negotiation. It also meant that matters could be solved internally without setting a formal precedent which would have implications for other parts of the Company. The RSG allowed compromises and concessions to be made outside the official framework.

The stewards I spoke to felt that they had been able to change things via the RSG.

"I suppose we must have had some bearing on the final outcome" (steward).

I know we changed things" (steward).

Undoubtedly concessions were made - one year the stewards won the right for employees to leave to go to another job with full severance terms. This was later "exchanged" for payment in lieu of notice which, for some employees, represented an additional twelve weeks pay. The concessions were, however, of significant use to management in its attempt to secure a peaceful closure. They represented a calculated gamble which Oppen was prepared to take in order to win trust, acceptance and concessions from the stewards. Oppen acceded to the demand that employees be allowed to leave for other jobs with terms because he felt that, in 1977, the recession was worsening and few employees would be able to take advantage of this arrangement. He was right - only a handful did:

"in the event, however, the risk involved had been well taken" (managerial report).

The following year's concession of payment-in-lieu of notice proved more costly but was still considered worthwhile for a number of reasons: it demonstrated managerial goodwill; it placated the stewards; and it enabled Oppen to ask for concessions in return.

The RSG represents an element of tactical opportunism - once established it was used by management to demonstrate their good will and credibility.

"It can be concluded that the RSG was a massive time wasting activity since many of the procedures it developed were little used, some convoluted arguments came to nothing in the end; nevertheless it was a very useful safety valve. It allowed the works manager to stand back from the fray and act as the final arbiter and as the years rolled on what was achieved was a remarkable degree of trust on both sides. This prevented any real industrial unrest occurring or the need to resort to the formal negotiating procedure" (managerial report).

General communication links were established with the workforce. A weekly bulletin was published and available as a newsheet and by internal phone. A communications centre was set up where individuals would find out about employees who had been redeployed elsewhere in the Company. Cascade information was reserved for important announcements. Individuals could also get information and discuss problems either by contacting their steward or by seeing their immediate supervisor.

Redundancy Compensation

Another tactic adopted by Camerons was the provision of incentives to accept the closure. This was an attempt to reassure people that they had nothing to fear from the closure and could, in fact, benefit. Much of the uncertainty about what would happen to people as a result of the closure was removed by the statement on job security in January 1975. This stated that enforced redundancy would occur only as a last resort. Oppen felt that such reassurance was necessary to avoid an initial panic reaction:

"I really did feel that without that statement we would have had such initial reaction because the assumption would be that people were just going to be thrown out" (Oppen).

This does appear to have reassured employees and union officials.

"We knew we wouldn't be turned out onto street" (manual worker).

One union official I spoke to said it was a significant factor militating against industrial action.

This strategy was complemented by the provision of generous redundancy terms - two to three times the state minimum. When these were further supplemented with payment in lieu of notice, people were tempted by the money. This is illustrated by the fact that a questionnaire in 1975, before the actual amount of the terms was known, revealed that only 17% of workers were interested in voluntary redundancy and 38% were prepared to

move to stay with the Company. The final figures, however, show a very different picture (see tables 11.1, 11.2, 11.3, and 11.4). The overall amount of weekly paid workers and staff who were redeployed was only 37.5%. Only 16% of workers and 28% of staff were prepared to move outside of the local area for other jobs within the Company and, of these, the majority went to towns within commuting distance. These figures suggest that the redundancy compensation acted as a powerful inducement.

"I am very conscious of the fact that the Company's severance terms are so good that you really are bribing people to leave, and they couldn't resist that bribery" (Oppen).

Virtually everybody I spoke to expressed satisfaction with the severance terms, apart from one or two individuals who had long service records but who were relatively young. They felt they had been penalised by a package which tended to favour age over service.

The Reasons for Closure

Another strategy that management adopted revolved around explaining and justifying the closure. For example, the presentation given by Oppen to employees and later to union officials was

"extremely comprehensive. It dealt with the reasons for the decision to close the works, emphasised that the plan represented a balance between the needs of the business

Table 11.1

Analysis of Reduction in Weekly Paid Staff Numbers by Cause

	<u>1976</u>	<u>1977</u>	<u>1978</u>
Natural wastage	35	24	7
Voluntary Severance	16 (15.5)	54 (40)	99 (66)
Redeployment	44 (42.7)	52 (38)	41 (27)
Internal transfers to staff	8	5	1
	<u>103</u>	<u>135</u>	<u>148</u>

Table 11.2

Analysis of Reduction in Staff Numbers by Cause

	<u>1976</u>	<u>1977</u>	<u>1978</u>
Natural wastage	7	10	4
Voluntary severance	13 (40)	14 (29)	25 (50)
Redeployment	12 (37)	24 (50)	21 (42)

Figures provided by the Company.
Figures in brackets denote percentages.

The total amount of weekly paid staff redeployed over the
three years = 35%.

The total amount of staff redeployed over the three years = 35%.

The overall total redeployed was 37.5%.

Table 11.3

<u>Geographical Analysis of Weekly-Paid Staff Redeployments</u>			
	<u>Numbers Redeployed</u>		
	<u>1976</u>	<u>1977</u>	<u>1978</u>
Local area	34	45	37
Huddersfield	6	4	3
Macclesfield	1	-	-
Runcorn	1	-	-
Other	2	4	1
	<u>44</u>	<u>53</u>	<u>41</u>

Figures supplied by the Company.

Total redeployed outside local area = 16%

Table 11.4

<u>Geographical Analysis of Staff Redeployments</u>			
	<u>Numbers Redeployed</u>		
	<u>1976</u>	<u>1977</u>	<u>1978</u>
Local area	9	14	18
Huddersfield	2	6	1
Other	1	4	2
	<u>12</u>	<u>24</u>	<u>21</u>

Figures supplied by the Company.

Total redeployed outside local area = 28%.

and the personal interests of the staff"
(managerial report).

The main reason behind the closure was the rationalisation policy of the division. The explanation of Mountside closure was not, however, always presented or perceived in terms of this policy despite Oppen's attempts to tell the complete story. There had been a tendency for divisional management to emphasise the environment as having caused the closure. The environmental reasons are those associated with the position of the factory - close to a hospital and in the middle of a residential area - and the old age of the plant.

"They [the divisional board] were tending to put around that we were closing Mountside Works because of the environment - it was a nice easy explanation" (Oppen).

The stewards also demonstrated a preoccupation with the environment. Out of the 8 stewards I interviewed, 5 mentioned environmental reasons alone, 2 stressed environmental reasons but made some reference to profitability and only 1 saw the reason for the closure as being linked to rationalisation of manufacturing operations in the division. The situation among employees was similar. Of 10 manual employees, all saw the closure as either the result of its proximity to the hospital or the old age of the plant. None mentioned rationalisation. Of 9 staff employees, only 1 mentioned rationalisation, the rest blamed the environment.

"We had ideas about the closure a long time ago because of the environment of the place - we're near a hospital. We knew that we couldn't get any more sanctions for putting new buildings up and putting more investment in because of the position of the works and also the place itself. Some of the sheds are so antiquated, you'd have to rip the whole place out and start from scratch" (steward).

"The buildings themselves were coming apart" (manual worker).

"You've got to move with the times, you've got to develop" (manual worker).

"It was an out of date place" (manual worker).

"People realised that it was a bit old and needed money spending on it" (staff employee)

"Commonsense tells me it's not in a good position for a chemical works" (staff employee).

It is difficult to say whether the stress on environmental factors was the result of employees' inability to understand the more complex rationalisation argument, whether the "visibility" of the environmental argument made it too seductive to ignore, or whether managerial emphasis on the environment overwhelmed any other line of reasoning. It was probably a combination of these factors. What, perhaps, is more important is the fact that the employees and the stewards accepted that the closure was necessary on the basis of managerial explanations.

The environmental explanation proved to be extremely helpful to management in their achievement of a peaceful closure. Firstly, it absolved current management of all blame - it was not their fault that the plant had been built at that location. It was not even their fault that investment and modernisation had not been undertaken in the 1950s. Therefore managerial credibility remained untarnished - in no way could they be blamed for the closure. Secondly, these explanations made the decision irreversible in the eyes of the employees - because the plant was so old it was easy to understand why the Company was unable to try and modernise it: it was simply too expensive.

"Everyone appreciated that it was an old works and changes were inevitable. They couldn't really spend the money to bring it up to date because it was so very old" (manual worker).

Even if they had, the hospital would still have presented a problem. The hospital, in effect, delegitimised resistance. Many workers felt that it was morally wrong to site a chemical works so close to a hospital, in case there was an explosion or some other disaster which would undoubtedly endanger the lives of people inside the hospital.

These environmental reasons were accepted by employees as justification for the closure, benefitting management by

legitimising and justifying change - in the form of closure - in much the same way as Anthony Cohen (1975) argues the management of myths does. Cohen argues that legitimacy is a valued and scarce resource, the fight for which is an integral part of political behaviour because political actors

"use their power to create legitimacy for themselves and, if successful, may find themselves more powerful" Cohen (1975)
p 9.

The management of myth is one strategy whereby legitimacy can be acquired. Myths have a multiplicity of functions but essentially they operate in one of two ways. They can be used to emphasise the continuity of society, seeking historical precedents for behaviour and focussing on the status quo. This, Cohen calls cultural extension. Cultural substitution refers to myths which are used to

"reconcile society to inevitable truths, and to resolve or render tolerable the contradictions which appear in social life" p 13.

By declaring that the past is irrelevant and emphasising the need to replace existing structures and values, the myth manager is able to achieve legitimacy for change.

At Mountside, managers used narratives in the form of the presentation of reasons. To some extent they were fictional: in their reliance on the environment (myths are commonly defined as fictional narratives). These presentations declared the past irrelevant and emphasised that change was necessary and inevitable, thereby legitimising the closure.

The Context

Managerial strategies were obviously important in securing acceptance of the closure by employees. These strategies alone do not, however, completely account for the absence of resistance at Mountside. In order to fully explain the response of the stewards, and why management resorted to the use of unobtrusive power, it is necessary to examine the context in which the closure took place - the balance of power between the interest groups, the power sources available to opposition groups, and their ability (or inability) to mobilise them.

The Power Sources of (Potential) Opposition Groups

The ability of employees, and other groups, to contest closure rests, as with their ability to resist any form of managerial activity, on their possession and use of power sources.

What exactly confers power on to these groups?

Unionisation

One obvious source of strength for employees lies in a highly unionised workforce. As Hyman & Fryer (1975) argue:

"where a significant proportion of the relevant employee group are outside the union and unlikely to follow its policies and instructions, or where there exists an alternative force of non-unionists, the ability to exert effective pressure on the employer is considerably reduced" p 162.

A well organised workforce is in a position to contest managerial behaviour by threatening or engaging in activities which disrupt production: that is the basis of collective bargaining (Pizzorno, 1978). Unionisation is also an essential element in fighting closure - most forms of resistance to closure such as sit-ins and work-ins, demonstrations, strikes require an organised workforce if they are to be initiated and sustained.

The involvement of particular unions may confer added power. Unions with a nation- or company-wide membership may be in a more powerful position than smaller unions with only a local membership. Some unions have a reputation for having a militant leadership which is inclined to confront employers. The National Union of Mineworkers is, perhaps, an example of this.

Unionisation is only likely to prove a source of power for stewards and employees if they have official backing and support for their actions. The difficulties in contesting managerial decisions without official support has been noted by a number of researchers. See, for example, Mathews (1972), Beynon (1973) and Red Notes (1978) regarding Ford, Beynon & Wainwright (1978) regarding Vickers and Ursell (1976) regarding BSC. Bryer et al (forthcoming) have argued that in the fight against closure at the Corby steelworks

"national union leaders failed to mount an

effective campaign to resist the closure"
p 290

and this rendered the locally led campaigns ineffective.

In the health service, Carpenter (forthcoming) has argued that increasing unionisation has enabled health workers to express discontent by taking industrial action rather than in the form of high rates of turnover, as previously was the case.

Furthermore greater involvement at the local level by stewards and other members has resulted in more locally initiated action in response to managerial actions.

It would appear that unionisation provides an important source of power for employees and stewards vis-a-vis their employers. This potential source of power has to be mobilised, however, by securing active official support and involvement, if it is to be used successfully to contest managerial decisions.

Wider Support

Support on a wider basis is also likely to provide power - support from other unions, the TUC, from other areas of the Labour Movement, from the media and from the public can all help to bolster attempts to resist managerial decisions.

Vulliamy & Moore (1979) argue that the fights against closure in the health service have been characterised by recently forged links with other areas of the Labour Movement such as political parties, womens' groups, tenants' association and community

groups. Bosanquet (1979) insists that such networks exist in the militant "105" of health districts where industrial disruption is common.

UCS, one of the first occupations in the fight against closure, was characterised by widespread support from the TUC, other unions, the media and the public.

"The UCS men were keenly aware that the success of the campaign depended not solely on their own efforts, but on the maintenance of the movement outside the yards"
Thompson & Hart (1972) p 65.

The opposite situation has been considered by Carpenter (forthcoming) who suggests that the lack of media and public support was a significant factor in the defeat of the health service unions in the Winter of Discontent and the subsequent decline in membership levels.

Strategic Position

Another determinant of power, according to Hyman & Fryer (1975), concerns the strategic position of the workers in question - how easily they are able to disrupt production and exert pressure. Print workers, for example, are in a powerful position due to the perishability of their product - their impact is quickly felt. So, too, are assembly workers in a highly integrated system - if they stop work, everything else, which is dependent on them, also stops.

The situation is slightly different with closure. Pizzorno (1979) argues that such workers have no market power because there is no demand for their product, therefore they cannot use the strike as a weapon. This may be true of closures of firms with only one factory. Workers in such a situation may be relatively powerless - Lane (1981) argues that it is virtually impossible to prevent closure under such circumstances. Workers do have strategic leverage, however, if the firm in question has surviving factories or units. In this case, demand for a product or service still exists and industrial action can be used to disrupt its production. Furthermore, some closures involve the transfer of production from the closing unit to another - if the transfer is prevented then, so is production.

A multi-plant structure may be a source of power to employees because it means they can disrupt production elsewhere, thereby putting pressure on their employers. Such a course of action will, however, probably necessitate support from the workers of the surviving factories as their help will be needed to stop production.

The above are structural sources of power which if utilised successfully may enable workers to resist managerial actions.

However,

"the main determinants of union power are of two types: objective and subjective. Of

the former, the most significant are the strength or density of organisation; and the strategic importance of the workers covered power also depends on the manner in which workers perceive their situation and interests, and the solidarity and determination with which they pursue their objectives. Workers who perceive no major conflict of interests with their employers are unlikely to organise effectively" Hyman & Fryer (1975) p 162.

The structural determinants of power discussed above conform to the objective aspects mentioned by Hyman & Fryer. There is, however, another subjective element to power if workers are to confront their employers. This concerns the attitudes of the employees - do they perceive a conflict of interest and do they perceive resistance as the best means of satisfying their interests? The question then remains which factors make employees more or less likely to contemplate resistance?

Time period

This has already been discussed in the preceding chapter. It has been argued that, in general terms, workers were more likely to resist closure in the first half of the decade as a pragmatic response to increasing unemployment. In more recent years, it was suggested that increasing numbers of closures have led workers to believe that resistance is not a feasible way of preventing closure. Furthermore, it would also appear that increasing unemployment has lowered the morale of the workforce, making them less likely to engage in confrontation.

Culture

Certain organisational cultures may foster attitudes where either no conflict of interest is perceived by workers, or where resistance is not considered to be a viable form of action. Martin & Fryer (1973) have documented attitudes in a culture of paternalism where workers were deferential, individualistic, believed in the virtues of hard work, loyalty, obedience. Such attitudes meant that the employees did not contemplate resistance to the planned redundancies announced by management. In a different culture, for example that noted by Beynon at Fords (1973), redundancies would have been far more likely to be greeted by resistance.

The Membership

The characteristics of the workforce may be significant in influencing attitudes to resistance. It has, for example, been suggested that women are less likely to fight to save their jobs than men in the same circumstances (Barron & Norris, 1976; Wood, 1980; Wood & Dey, unpublished), although Hardman (1975) disagrees with this.

Factors which may have significant implications for resistance to closure concern age and service. It is these attributes which are "rewarded" by redundancy compensation. Redundancy payments are powerful inducements to accept closure (see Clarke, 1979, who has argued that closures at Speke (BL) and

East Moors (BSC) were greatly facilitated by the offer of increased redundancy terms). The combination of generous payments and a long-serving old workforce may represent a serious loss of power for any group wishing to contest the closure.

Shock

If a closure comes as a complete shock to employees and contravenes their expectations, this may evoke hostile attitudes to a closure and make resistance more likely. The fact that the news of closure came as a complete shock to workers at Brookside (see chapter six) has been viewed as a significant factor in the subsequent resistance.

The factors discussed above represent potential sources of power for opposition groups. Both structural and subjective resources will have to be mobilised if resistance is to occur. This is true for both overt and unobtrusive resistance. An occupation obviously requires employee support and will be far stronger with official union involvement. An unobtrusive campaign - designed to prove the closure wrong - will also require widespread support if it is to carry any weight.

It would appear that usually the balance of power rests with management if the relatively low incidence of closure is

anything to go by. This may be because potential opposition groups have inadequate power resources, for example, they are insufficiently organised, they have no strategic leverage, the membership is not in favour of resistance. It may be because power sources have not been effectively utilised, for example, stewards have failed to secure active union support. It may be because management's successful use of strategies and power sources has overwhelmed any advantage opposition groups might have had. The aim is now to look at these possibilities in terms of the Mountside closure.

The Power of the Stewards

The stewards were the opposition group which played the most active role at Mountside and had resistance occurred it probably would have been initiated by them. In comparison, union officials played a relatively minor role and the vast majority of employees played only passive roles in that they were, indeed, affected by the closure but they did not take part in meetings and discussions in the same way as the senior stewards. For this reason I propose to examine their power (or lack of) to resist the closure.

"When the divisional chairman first announced that the works was to close we tried our utmost to get the Company to change its mind eventually we had to accept the hard fact that the Company's case was unanswerable" (steward in Company magazine).

Lane (1981) argues that most cases of resistance to closure are initiated by stewards.

Union support

All manual workers were members of a union. The largest, covering the general workers was the NUGMW. The major craft union was the AUEW. Both these unions were large and organised on a national basis. There was in this degree of unionisation a potential source of power which was never realised because of the absence of official backing for any resistance to the closure. Stewards had originally called their officials in with an (albeit vague) idea of stopping the closure. Having consulted with their national leaders, the local officials returned for another meeting where they told their stewards that there was nothing that could be done to prevent the closure and it was up to the stewards to obtain the best conditions they could for their members; the officials were to be called back into negotiations only if there was failure to agree on a specific issue, otherwise they would not get involved. The union officials I spoke to expressed the feeling that: why worry about this company when there were plenty of others giving only the statutory 90 days notice and paying the minimum redundancy terms. Furthermore, officials, particularly those representing craft workers, said they had felt at the time that their members would have no problems finding alternative employment.

"You've got to remember that the climate is totally different today in 1980 . We had no unemployment then, or very little. Certainly as craft unions we had no major problem" (local union officer).

Another factor which helps to explain the absence of union support for resistance was the illness of a key AUEW official. Oppen felt that this individual was the most likely to back resistance to the closure but because he was ill and unable to attend the two meetings, he did not become involved in the issue at all.

The stewards felt that, without official support, there was nothing left to do but accept the closure.

"There was clearly not much we could do about it - only what we did. We discussed whether we should take militant action and we came to the conclusion that if we did it would just close the gates quicker, so we would just have to ride along with it and hope we could get the best conditions possible for the employees" (steward).

Strategic Importance

Stewards were of the opinion that even if they had taken industrial action, it would have had little impact on management. However, it would appear that because management was transferring the production of some products elsewhere, they were vulnerable to any action which would have prevented this from proceeding smoothly. Furthermore, had stewards been able to extend action onto other factories the business of

the division as a whole would be threatened.

The stewards, however, did not think that this was feasible:

"the other factories wouldn't have come
out for us" (steward).

At the time, however, there was a shop steward combine which, although unrecognised by the Company, brought together the stewards from all the different factories in the division. This could have been used to solicit support from other plants.

External Support

External support was almost non-existent. Local papers, for example, contained only three short articles on the closure. There was no mention of it at all in the national press. The local MP did raise a question in the House of Commons but phrased it such that the Mountside closure was one small factor in terms of the bigger issue of unemployment in the North-West. Support from the community was not forthcoming - an old, dirty chemical works in a residential area is not a powerful symbol around which sympathy and support gathers to try and save it.

Attitudes

The attitudes of the workforce and the stewards did not favour overt resistance - they were not militant men. This can be attributed to a number of factors. Firstly, the culture and reputation of the Company had, over the years, fostered loyalty

and moderateness amongst its employees. People liked working for Camerons which was renowned for the generous way it treated its workers.

"They're a good company to work for.
They really looked after the men"
(ex-staff employee).

"The Company looks after you"
(redeployed manual worker).

"You couldn't work for a better
company" (ex-manual worker).

As a result of these attitudes, little in the way of industrial action had been undertaken in the past - at most, people could remember only one strike in the last twenty years. Furthermore the senior stewards were considered by management to be "moderate" and "reasonable" men and, although sometimes difficult, it was felt that they could be convinced of the logic of the situation.

There was another factor which militated against the likelihood of resistance to the closure. This was the impact of the redundancy payments on a relatively old and long-serving workforce (see tables 11.5 and 11.6). Nearly 50% of employees were aged 46 years or more and 57% had more than ten years service. Such workers would receive substantial payments. The redundancy payments thus became an inducement to accept:

"the financial carrot worked wonders"
(manager)

especially as employees believed that resistance would jeopardise

Table 11.5

Age Distribution of Mountside Employees (%)

Under 18	0.6
18-21	3.2
21-31	8.9
31-46	39.6
46-60	42.3
60+	5.4

Table 11.6

Service Distribution of Mountside Employees (%)

Under six months	1.2
6-12 months	1.6
1-2 years	0.4
2-3 years	4.3
3-5 years	8.7
5-10 years	26.4
10-15 years	28.5
15+ years	28.9

Figures supplied by the Company.

the payments:

"if we had resisted they could quite easily have come up with the argument: 'all right, we'll give you the government's rate" (steward).

This inducement was all the more successful because, at the time that the closure was an issue unemployment was nowhere near as high as it is now and local rates were no higher than the national average (see table 11.7). As a result of this, the majority of employees were convinced that they would find another job. In fact these feelings persisted even in 1980 when interviewing took place.

"There's plenty of jobs outside"
(general worker)

"I knew I could always get another job"
(craft worker)

"I knew I could always get a job somewhere"
(craft worker)

Because of the culture, the economic climate and the age and service records of the employees, their attitudes were not in favour of resistance.

"You can't put up a fight when the members wouldn't be with you. A lot of members would say 'What the hell's it got to do with you - you're stopping me from getting my redundancy pay'" (union official).

Furthermore, there was no element of shock to trigger hostile sentiments as appears to have happened at Brookside. The closure of Mountside had been expected for many years. The

Table 11.7

Unemployment

	<u>Local Rate</u>	<u>National Average</u>
March 1975	3.4	3.4
March 1976	5.2	5.4
July 1977	6.9	6.9
July 1978	6.8	6.6
July 1979	5.9	6.1
July 1980	7.9	7.5

stewards consequently found themselves without the support of their officials or their members for opposition to the closure.

The Power of Management

Management possessed considerable power resources. They had expertise, if not in closure, in general change programs which had been introduced as a result of joint consultation. Oppen personally had a great deal of expertise in handling people. Perhaps the most powerful weapon management possessed was their redundancy terms. It was the offer of such cash inducements that helped to prevent resistance. The Company

Table 11.8

Company Profits

	£000's (net profit before tax, year ending December 31st)
1970	161.7
1971	148.5 (-8)
1972	165.7 (+11)
1973	358.1 (+116)
1974	517.6 (+44)
1975	354 (-31)
1976	562 (+58)
1977	505 (-10)
1978	444 (-12)
1979	627 (+41)
1980	394 (-37)

Figures from Extel.

Numbers in brackets denote percentage change over the preceding year.

was in a position to offer these inducements because it was profitable (see table 11.8) and possessed the necessary resources. Furthermore, the division was part of a much larger organisation. This provided a degree of security and allowed managers to take

a longer term view. In this way the appointment of Oppen and the instigation of climate setting was made possible.

Another source of power for management was the physical condition and location of the works. Employees had only to look at the age of the plant and its proximity to the hospital to convince themselves that the closure was justified. The visibility of this reasons helped management to legitimise their decision.

It would appear that the stewards were relatively powerless vis-a-vis management. It is important to remember, however, that they did possess potential power sources in the form of their unionisation and strategic position. Because of this management perceived a possible threat.

"We were a little frightened of the union officials, particularly the AUEW officials" (Oppen).

"There is no doubt about it, at that time we were very concerned about the amount of interchange between the stewards from one works to another" (Oppen)

It is because management perceived a potential threat from the stewards and their members that they saw a need to engage in intricate unobtrusive measures. In other words, because the stewards possessed structural sources of power, management embarked on an unobtrusive strategy designed to modify attitudes and sentiments, making the mobilisation of these resources less likely.

"We spent so much time and effort in trying to get understanding of why it happened and how we were going to close it and what help we were going to give, that acceptance became rather inevitable" (Oppen).

This argument is supported by an examination of the treatment of staff employees. This group had virtually no power - unionisation was recent and numbers were low. In 1975 only ASTMS had formal negotiating rights. The attitudes of staff employees did not favour resistance.

"Staff employees were unlikely to engage in industrial action - there was no support for such action" (staff representative).

Individual staff members had yet to be convinced of the benefits of a collective approach, they were quite happy with the existing system where individuals saw management personally to ascertain the needs regarding the closure.

"Staff appeared to have accepted that the personalised approach which had been adopted demonstrated that the interests of each monthly staff person were being adequately protected" (managerial report).

Management did not perceive a threat from the staff representatives and it appears that, because of this, they did not feel the need to absorb them into the consultation process in the same way as the stewards had been. This is clearly indicated by the fate of the staff RSG: it was not established until 1978 and had been disbanded by the end of the year. The Works RSG was established in 1976 and continued until the closure was

completed. Furthermore, the staff RSG was considered unsatisfactory and unproductive by both management and staff representatives.

It would seem that management was convinced of the need to involve staff representatives but had they represented a real threat, it is conceivable they they would have been drawn into the consultation process in the same way as the stewards were.

The Outcome

How successful was Camerons in achieving both sentiment and substantive outcomes? How effective were the unobtrusive strategies in producing favourable attitudes to the closure?

The rundown schedule was adhered to and the closure was carried out as planned, with no industrial action. Furthermore morale and productivity seems to be have been relatively unimpaired. The results shown in tables 11.9, 11.10, 11.11, 11.12, 11.13

"support the subjective view expressed by many that, considering the long drawn-out and wearing process of closing a works down bit-by-bit over five years, morale and sense of humour within the works were maintained at a surprisingly good level" (managerial report).

Another indicator of success is the absence of involvement from union officials who were to be called in, in the event of

Table 11.9

<u>Productivity</u>			
<u>Year</u>	<u>Quarter</u>	<u>No. of weekly paid staff</u>	<u>Output/Man x 10³</u>
1976	1	225	213
	2	227	220
	3	236	208
	4	215	228
			Ave = 217
1977	1	201	234
	2	193	212
	3	184	190
	4	165	182
			Ave = 205
1978	1	150	207
	2	134	201
	3	99	192
	4	83	217
			Ave = 205

Table 11.10

	<u>Output</u>			
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Total Output tonnes	2600	2850	2500	1300
Output/40 hour man week - tonnes	3.55	3.5	3.33	4.26

Figures supplied by the Company.

Table 11.11

	<u>Customer Complaints</u>			
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Total Number	46	28	23	15
Number Justified	11	4	2	2

Table 11.12

	<u>Absence Statistics</u>		
	<u>1976</u>	<u>1977</u>	<u>1978</u>
	8.17%	8.05%	6.24%

Table 11.13

	<u>Accident Frequency Rates</u>	
	<u>All disabling accidents</u>	<u>Minor accidents</u>
1975	0.864	52.0
1976	0.687	61.0
1977	2.257	53.3
1978	0.895	51.0

Figures supplied by the Company.

disagreement. All problems were solved at the local level. There were only two references to the industrial tribunal for unfair dismissal, both of which were resolved by the ACAS officer.

Sentiments appear to have been successfully influenced.

Everone I spoke to praised the Company and the way it had handled the closure and, although the closure was felt to be "sad" and a "shame", no criticism was attached to Camerons. The following is a selection of statements from employees after having been made redundant or redeployed.

"The closure was well-managed"
(redeployed staff employee).

"I can understand the closure"
(redeployed staff employee).

"I have no criticisms of the way the closure was handled" (general worker)

"It was a shame it had to happen, but if it had to happen I don't really think it could have been done much better. If it had to happen it was a success" (ex-staff employee).

"I could never call the Company. I was pleased with the way it was done"
(ex-manual worker).

"It's marvellous how its been done. Every help one could imagine was there"
(redeployed manual worker).

It would appear that Camerons are justified in concluding that

"the rundown of the works was a successful endeavour from both the business and people viewpoints" (managerial report).

THE MIDVILLE CLOSURE

The closure of Withybrook Hospital represents a similar story to Mountside. Management relied on climate-setting, consultation, flexible redundancy/redeployment arrangements and a clear explanation of the closure in their attempts to persuade employees, unions, the CHC, and the AHA to accept it.

Local management was anxious to effect closure for a number of reasons:

"(i) Service planning:
the proposed closure of Withybrook Hospital is part of an overall plan to rationalise the clinical services throughout the Midville district.

(ii) Maintenance problems:
only a minimum amount of maintenance work has been carried out at Withybrook Hospital in recent years because of its uncertain future.

(iii) Financial:
Midville district's underfunding for 1977/8 is estimated at £1,040,000. Annual expenditure for Withybrook is £343,000 net savings will be mainly on overheads. (reasons for the proposed closure cited in the consultative document, July 1977).

They also wanted to ensure that the good relations, built up during recent years with employees, unions and the CHC, were not endangered by this closure. In effect, Midville managers wished to secure both sentiment and substantive outcomes.

Climate-Setting

Since the Reorganisation of the health service in 1974, the Chairman of the AHA (Dale), the Area Administrator (AA) and the District Administrator (AA) had all subscribed to plans for increased consultation with unions, employees and CHCs. According to one local manager, the Chairman believed in consultation for its own sake, because of his political convictions and because

"if you bring people in you can carry them along" (Dale).

The AA was in favour of consultation because it prevented problems from arising with the unions.

"I've always believed that if you shy away from trade unions you have problems - so keep a working relationship" (AA).

The DA was, in the eyes of one local manager, "a great one for the staff". His paternalistic approach revolved around including and involving the unions. He had set up the District Management Committee in which managers and union officials met on an informal basis to discuss problems.

For a variety of reasons moves towards improved industrial relations and increased participation had been taking place throughout the mid-seventies - before the closure of Withybrook became issue - and it was expected that the closure should fit into this framework, without jeopardising these relations.

It also meant, however, that management benefitted from the trust and cooperation which had been built up prior to the closure in the same way as Camerons had.

Consultation

Consultation was used by Dale to win over employees, unions, the CHC and the public.

"People are compromised by the personal approach" (Dale).

Dale saw himself as having played a key role in discussions with the public, for which he believed himself well-qualified because of his experience in public and political life. He had been a member of the county council for 25 years and, at the time of Reorganisation, was leader of his party. The newspaper reports of the public meeting called to discuss the closure in November 1977, confirms his prominence: he was the most often quoted management representative.

Consultation with the unions and the CHC were also extensive:

"there was full consultation with everybody including the unions. There were lots of meetings. We told staff rather than let them read it in the papers. This is a general policy" (manager).

Both groups felt that they had been fully consulted, and that they were free to contact management should any problems arise.

"Relations are very good here. We are told informally - 'Look out! in a month so and so's going to happen'" (union official).

"We couldn't have faulted management -
they spoke to everyone" (union official).

Management was thus perceived by these other groups to be handling the closure in a respectable and fair way: in a legitimate manner.

The Reasons for Closure

Management also tried to secure legitimacy for the actual decision to close by presenting it as a financial imperative, although there were other reasons why it should take place.

"I know darn well that had we had the money we still would have closed it. They the unions and the CHC don't realise that. We were using the financial argument but what we were really after was rationalisation" (manager).

This argument was easy to demonstrate and prove to the potential opposition groups who were already well aware that the area was grossly underfunded. RAWP had reduced the funding for the region as a whole but Midville's richer neighbours received more than their fair share of the remaining budget, leaving Midville short of funds. Opposition groups accepted that Midville was short of funds and having done so, the closure was accepted as a means of saving desperately needed cash. The rationalisation argument might have been less successful in convincing people of the need to close as there are conflicting opinions regarding the benefits of large

integrated hospitals (see chapter twelve for a more detailed discussion of this).

The financial argument performed the same functions as the the environmental reasons had at Mountside. It was easily understandable, it justified the closure and it absolved local management of all blame by pinning it onto government expenditure cuts. This enabled management to convince the various interest groups that the closure was necessary.

"I never had any fear of the AHA changing its mind they were haunted by the fear of overspending" (Dale).

"There was no real opposition to the closure in the AHA, given the need to save money" (AHA member).

"There was a good financial case for closure" (union official)

"They just had not got the money to keep it going" (employee)

"The staff knew there wasn't the money" (steward)

Even the CHC

"while opposing it in principle were very understanding of the authority's problems" (manager).

In the health service, financial justification may not be enough to legitimise a closure if medical opinion is against it. Decisions which threaten medical services may be considered unjustifiable, regardless of the savings. For this reason, the opinions of doctors and consultants become very

important. They are the ones who say whether a decision jeopardises medical services because they are perceived to be the experts by the public and the lay people (this argument is discussed in more detail in the following chapter). In the case of Withybrook hospital, however, there was no medical opposition to the closure.

"The chest physicians were quite happy about the closure because they had new wards at another hospital " (manager).

"We had been offered two new wards in anticipation of the closure, so we weren't losing anything" (consultant).

"There was no medical objection to the closure" (consultant).

Management was aware of the influential nature of medical opinion.

"It does help to have the consultants on your side" (manager).

"Medical opinion is very influential. It would have made life difficult if they had all been against the closure" (manager).

The CHC was equally aware that lack of medical opposition to the closure hampered their chances of saving it.

"The medics killed that hospital" (CHC secretary).

Redundancy and Redeployment

Redundancy terms in the NHS are fixed by national agreement so management was unable to use the offer of increased terms to

secure goodwill. Instead they offered everyone the choice between redundancy with terms or redeployment in a comparable jobs where efforts would be made to ensure that working conditions, shifts, hours were the same as those of their job at Withybrook. Staff were very appreciative of this.

"Management was very good about it. They gave people the choice of redundancy or a job" (employee).

"All the staff were lucky. They had the choice of taking redundancy or another job" (employee).

The combination of these unobtrusive measures enabled Midville management to secure acceptance of the closure by employees, unions, and the AHA. Why did management resort to the use of unobtrusive power? Part of the reason is that consultation and participation was a managerial policy and had been so since 1974. Part of the explanation, however, lies with the response of the CHC which, although accepting that there was a financial need for it, made a formal objection to the Secretary of State. The opposition possessed, in this legal right to object, a source of power which management combatted with the use of the unobtrusive strategies described above.

The Power of the Opposition

It would appear that resistance from unions and employees was unlikely at Midville. Their attitudes could be described as moderate rather than militant:

"The unions were not militant in their opposition" (manager)

"The unions are not usually militant here" (manager).

"In those days it wasn't too difficult to put a point of view across to the unions" (manager).

These attitudes meant that, as a result, Midville had always been a relatively peaceful health area - it was one of the "90%" discussed by Bosanquet (1979) in which industrial action was rare. There had, for example, been no local action since 1974, and the only national activity occurred in the Winter of Discontent after the closure.

The unions did not possess the structural sources of power which would enable them to easily resist managerial decisions. The unions had no background or experience of resistance. Links between the different unions were weak. For example, regarding the closure

"COHSE did not want our help" (NUPE official).

There was no network of links between unions and other organisations which has characterised many of the hospital occupations in London. There was not the tradition of radicalism and militancy that characterised working class organisation in Northville. Nor was there a background of depression and deprivation to spark off resistance. Unemployment, for example, was low in Midville (see table 11.14).

Table 11.14

	<u>Unemployment</u>	
	<u>Local Rates</u>	<u>National Average</u>
July 1975	3.3	4.7
July 1976	4.2	6.3
July 1977	5.0	6.9
July 1978	4.0	6.6
July 1979	3.2	6.1
July 1980	5.6	7.8

As a result of these factors the unions particularly COHSE, which was responsible for Withybrook Hospital, were not inclined to take industrial action.

"We didn't seriously consider a work-in. There was nothing to be gained. The staff didn't want one" (COHSE steward).

Despite this apparent powerlessness, the possibility of union action remained a serious threat for management. The problem for them was that the CHC had the legal right to reject the closure, in which case the final decision to close would be the responsibility of the Secretary of State. In view of the

number of hospital occupations which had occurred in response to proposed closures around this time (1976-8), it was conceivable that the possibility of such action at Midville could result in the rejection of the closure by the Secretary of State to avoid government embarrassment. Dale aimed to avoid this by reducing the likelihood of militant action which might cause such embarrassment. This necessitated the use of unobtrusive measures - to legitimise the closure and secure favourable sentiments towards it.

"I thought that there was a good chance of this being accepted by the Minister: the case was well made out; the local opposition was understandable; and there was no real threat of the union behaving in such a way which would embarrass the government"
(Dale).

So, in a similar way to the stewards at Mountside, opposition groups, although apparently powerless, were perceived to be a threat by management which took unobtrusive measures in an attempt to reduce that threat.

The involvement of the minister which resulted from the CHC's objection to the closure still posed problems for management. It was a period of great uncertainty, not knowing whether the closure would be approved firstly by the Labour government and then by the Conservatives. To try to increase the chances of approval, Dale

"took the battle over personally"
(manager).

He saw the relevant ministers in both governments and used his

political experience to convince them of the need for closure. Even with these measures, managers feel that they were lucky in their timing. If the issue of the closure had been later approval might have been more difficult to secure because of the new Conservative government's support for small community hospitals like Withybrook which began to emerge after their election.

"This government believes in small hospitals"
(Dale).

"Dr Vaughan Conservative Secretary of State
for Health and Social Security
suggests that the number of closures will
be slowed by reducing the size of new DGHs
and concentrating on 'making the best of
what exists'" (Guardian p17 4th June 1980).

This in effect would have represented a shift of power in
favour of the unions and other opposition groups.

The Outcome

The outcome was largely successful for management although a delay of 18 months was incurred while approval was sought from the Secretaries of State. The unions, the CHC and many employees were happy about the handling of the closure.

"Management handled it very well indeed.
We have no complaints" (union official).

"Everyone was very happy about the way it
was managed" (steward).

There was, however, some bitterness on the part of some employees, most notably those who lived in the village in which Withybrook was situated and who would have found it difficult to find

other convenient work.

"We're retiring because we don't want to go anywhere else - we'd have problems working elsewhere in any case because there are no buses to Midville from where we live" (ex-employee quoted in local paper, September 1979).

"As far as we know there are no jobs. They will offer you a job yes, but we have staff here from local villages. How the hell are they going to get into Midville" (ex-employee quoted in local newspaper, October 1979).

There was then an element of individual dissatisfaction with the closure although, on the whole, unions, redeployed employees and the CHC were happy with the way it had been handled and agreed with the need for closure.

ANDERSONS' CLOSURE OF NEWLANDS

Andersons is another success story in that management was able to secure the closure of their factory without industrial action being taken. It is different from the two preceding cases, however, by virtue of the fact that UK management was unable to engage in climate-setting and was forced, instead, to rely on a policy of tactical opportunism.

The Need for Unobtrusive Measures

Management wished to effect the closure of Newlands to alleviate their precarious financial position of 1978 (see table 11.15). Managers argue that the closure was necessary to save \$10 million on annual overheads. UK management was also anxious that the closure should go ahead peacefully, without industrial action being taken.

One reason for this was that action which spread to other factories could threaten the existence of the entire Company.

"It was quite important for the future of Andersons in the UK that we could handle the problem without industrial action"
(UK Director).

Another reason was that previous industrial disputes in British factories had earned the UK operation a bad name with headquarters management: UK managers wanted to redeem their

Table 11.15

	<u>Company Net Income</u>
	\$ (US) 000's
1972	32,390
1973	58,213
1974	68,413
1975	94,677
1976	117,914
1977	32,720
1978	(256,709)
1979	58,455
1980	225,200

Figures from Extel.

Numbers in brackets denote a loss.

reputation.

"It [trouble] would have hurt Andersons' image in the UK within the Corporation. It would have shown we couldn't manage a closure which America could do" (UK Director).

Managers also believed that a peaceful closure was inherently better than one marred with industrial action. Industrial

action could also have presented problems for the transfer of production to the French factory which would take time to "tool up" for its new product. Some managers felt that the Company was vulnerable at this time because it still relied on Newlands for production, so the less trouble in the Scottish factory, the better.

Management wanted to effect the substantive outcome and influence sentiments. The latter was all the more important because of the threat to the workforce, particularly the stewards, Posed.

The Power of the Stewards

The stewards possessed a number of resources which put them in a very powerful position.

Unionisation

The factory was almost completely unionised with regard to both manual and white-collar workers. Most manual workers were members of the AUEW, although a few belonged to the Boilermakers' Union. Technical and supervisory staff belonged to TASS (a branch of the AUEW) and the clerical staff to APEX. The different unions worked quite closely together, particularly AUEW and TASS. This is evident from the Joint Union Co-ordinating Committee (JUCC), set up to combat closure, it comprised of

representatives from all the unions. The unions had had a long history of negotiating with the Company. The manual unions had had negotiating rights since the opening of the factory. TASS had had such rights for clerical and technical groups since the 1960s and for supervisory groups since the early seventies.

The stewards had active support and involvement from their officials at both local and national levels in their bid to stop the closure. Union leaders were involved in many meetings with management about the closure. They also helped in the commissioning of the academic studies of the closure. Stewards expressed satisfaction with the support they had received from their officials.

External Support

Support was forthcoming from factions outside the factory, most notably perhaps, from the chief executive of the local council and the academics who had been involved in the union report on the closure.

Strategic Importance

The stewards at Newlands were in a position to inflict a considerable amount of pressure on to Andersons, especially if they were able to extend industrial action to other UK factories. There is evidence to suggest that this was a feasible

course of action as Newlands stewards had good contacts with stewards from other factories in the UK. They had arranged meetings with them about the closure and had obtained a formal pledge of support from them, in the event of industrial action being taken against the closure.

Attitudes

It would appear that the workers at Newlands were far more predisposed towards the taking of industrial action than, for example, their counterparts at Mountside and Midville. As table 11.16 clearly demonstrates industrial action was not an infrequent occurrence. One of the previous confrontations in 1977 had culminated in a strike and lock-out which had lasted seven weeks.

If attitudes were generally inclined towards industrial action, the depressed nature of the region could have increased the likelihood of resistance to the closure. High unemployment (see table 11.17) made alternative employment hard to find and this could have led workers to try and prevent the Newlands closure in any way that they could.

Management perceived the stewards, backed up by their members and their officials, to be a very real threat to their plans for a peaceful closure in terms of both their structural power resources and attitudes which made the mobilisation of

Table 11.16

Percentage of Available Hours Lost due to Industrial Action

1975	0.16
1976	3.88
1977	18.04
1978	0.45
	0.58

Figures supplied by the Company.

Table 11.17

Unemployment

	<u>Local Rates</u>	<u>National Average</u>
July 1975	5.9	4.7
July 1976	7.5	6.3
July 1977	9.4	6.9
July 1978	9.9	6.6
July 1979	9.3	6.1
July 1980	14.3	7.8

these resources a strong possibility. This potential power is demonstrated by the initial reactions to the news of possible closure. It is true that they did not take any form of industrial action but that is not to say that they were inactive. The stewards' first step was to form the JUCC in which nine stewards represented both staff and manual unions. This body was set up specifically to deal with the possible closure. They called in union officials and commissioned the STUC report. They arranged a demonstration in London and lobbied Parliament. They had meetings with a number of ministers in both Labour and Conservative governments including the Secretary of State for Scotland and the Secretary of State for Industry. They contacted their local MP and members of the local council. They organised a visit to the French factory and made visits to other British factories where they solicited pledges of support.

Management perceived a serious threat to their plans of a peaceful closure from the powerful workforce. They saw two periods as being particularly critical: the initial announcement of the feasibility study and the announcement of a complete closure. Management was unable to prepare for the former or engage in any type of climate-setting. This was because they knew about the feasibility study

"only two or three weeks before the announcement was made" (UK Director).

The initial reaction of the employees was largely a product

of environmental forces which convinced the stewards that industrial action at this time would be futile.

"I don't think a strike or sit-in would have saved the situation. We've looked at work-ins at various places and they just didn't work out" (employee).

This has been documented in more detail in chapter ten.

Although management could do little to protect themselves against the reaction to the announcement of the feasibility study, they were able to take steps to prevent industrial action being taken at a later stage. To do this they seized on every opportunity to impress upon employees the benefits of accepting the closure and to demonstrate their goodwill and concern for their employees.

This strategy has been called tactical opportunism. It was used in the place of climate-setting and was supplemented by the other unobtrusive measures described in the earlier case-studies.

Tactical Opportunism

Management used a number of mechanisms to persuade people that a peaceful closure was their only hope, and also to demonstrate their good-will and credibility. Firstly there were the recommendations of the feasibility study. The study only

recommended that product A be transferred to France - there was the possibility that the Company would decide otherwise. This possibility would be jeopardised if employees took any form of industrial action. There was also the possibility that product B would be transferred to Scotland, which again would be unlikely if a strike or occupation took place.

The international and local work-searches also discouraged employees from taking action against the closure. Employees felt that prospective customers would be frightened off by industrial action. These work-searches were started in August 1979 and were under way at the critical time when the Company announced the total closure of the factory.

The final step was Merryvale - the culmination of the work-searches. The new sub-contracting engineering firm provided jobs for more than 100 ex-employees and there was the prospect of more in the future.

These mechanisms gave hope to employees that the peaceful acceptance of the closure would provide some benefit in the form of some jobs. They delegitimised any form of resistance which would jeopardise the chance of saving those jobs.

"A fight would have lost product B. A fight would have lost the work-search" (local manager).

In this way

"it becomes difficult to engender any
fight against the Company" union
(official).

Merryvale and the work-searches were symbols which enabled
Andersons to delegitimise resistance and to demonstrate their
good-will and concern for their employees - here was a company
which was willing to spend time, energy and money on trying to
save jobs. This image is borne out by newspaper articles on the
issue.

"But Andersons does not want to go into the
sub-contracting business (at Merryvale); it
is merely shouldering its share of the
responsibility for a community whose
unemployment it has just pushed up from 9.8%
to 12%. It has also embarked on an inter-
national work-search operation to find a
tenant for the rest of the factory and
pledges to sell equipment to any taker at
a 'nominal' price" (The Engineer).

Management tried to develop the image that they were concerned
for their employees and wanted to mitigate the effects of any
decision they might take.

"We are obviously very concerned at the
social and economic impact of our proposals
and it was for this reason that the Company
is proposing to transfer product B to
Newlands rather than close the factory
totally" (management reply to STUC report).

It has been suggested, particularly by the academics involved
in the STUC report, that the offer of product B and the work-
searches were part of a premeditated strategy designed to

procure a peaceful closure. Management maintains that this was not the case. The transfer of product B, they argue, was a genuine attempt to save some jobs, until falling markets rendered it impractical. It was suggested by one UK director that top management was not clever enough to plan such strategies in advance.

The work-search arose, according to management, out of a series of discussions with stewards. The consultants acted as middle-men, helping to mediate between the two groups. This seems to be a feasible explanation because the stewards had considered the possibility of bringing in alternative products as early as 1978. The JUC had put together an inventory of the factory and its potential with a view towards bringing in alternative products. In the union response to the feasibility study in January 1979 it was asked

"why are there no plans for the manufacture of compatible alternative products?"

Stewards had suggested bringing outside contracts for spares in-house, introducing completely new products to the factory, and developing new products for the third world instead of redundancy or closure.

The facts suggest that the stewards and union officials were thinking of alternative production as soon as the feasibility study results were announced. If this was the case, it would seem reasonable to suggest that the idea of the work-searches

and Merryvale emerged over time, as a result of management-employee discussions, and were not part of a pre-conceived strategy. Management admits, however, that it was quick to take advantage of these opportunities to demonstrate their goodwill and prevent resistance.

"The work-search came up as an accident
but we were quick to capitalise on it"
(UK Director).

This is what is meant by tactical opportunism - the environment is fixed (unlike climate-setting where it is, to a great extent, created), but it gives rise to various opportunities which are quickly seized and used to the actor's advantage.

Consultation

A second strategy was consultation - management produced a study and were then willing to discuss it before reaching a final decision. One reason for this was to see if the union could come up with viable suggestions for preventing redundancies. More importantly, however, it was to avoid the mistake of making a procedural error.

"These types of things (procedural niceties, protocol) could have been used emotively to stir up the workforce far more than disagreement on the substantive item. I've seen far more disputes brought to a head and lengthened by tactical or procedural errors that people have made, than genuine differences"
(UK Director).

Management was also anxious to avoid criticism for not

consulting the trade unions fully.

The unions and stewards accepted the consultative path and prepared their own report having accepted, to a great extent, the economic rationale provided by the Company. Unions and stewards thought that the only way to save the factory was to demonstrate that Newlands was an economically viable plant. Unfortunately, they did not have access to the crucial figures that were necessary to prove (or disprove) their case.

"We were using a method of argument which in the end we could never win. For every set of statistics we attacked, the Company would come back and produce other ones" (academic - member of study group - in published article, 1981).

For management, however, this strategy was highly successful in that the opposition groups were directed away from more overt forms of action.

"The focussing of our work on the accounts may have meant that other avenues were not explored" (academic in published article, 1981).

In this way, the dialogue which arose around the studies helped to defuse the issue so, although union officials believed at the time that this strategy was the only way to save the factory:

"it is possible that the contribution we made helped to reinforce, quite inadvertently, a strategy which, in the end, has produced the closure of that factory" (academic in published article).

There was one drawback of this strategy for management. Because key figures were kept confidential, management was unable to clearly demonstrate the need for the closure. This made it difficult for Andersons to legitimise their decision to close Newlands as the discussion below indicates.

Redundancy Compensation

Redundancy payments were two to three times the legal minimum. The academics felt they proved to be too powerful an inducement for the old, long serving workforce (see tables 11.18 and 11.19). Over 55% of hourly paid and 60% of staff were aged 45 years or more. More than 25% of hourly paid and 48% of staff had over 20 years service. A large proportion of the workforce would derive substantial benefit from the redundancy terms which rewarded age and service. Workers were tempted to accept, especially as they believed that the terms would be withdrawn in the event of resistance.

"We might have gone on strike but it wouldn't have done any good - we might have lost out on redundancy pay" (employee).

This considerably weakened the power of the stewards because it meant that their members would be less likely to support a strike or occupation in case it threatened their compensation. This is borne out by events at Andersons' closure of their factory at Nortown, where the threat of reduced redundancy payments induced workers to end their occupation and return to work.

Table 11.18

<u>Age Distribution (%)</u>		
<u>Years</u>	<u>Hourly Paid</u>	<u>Staff</u>
55-65	26.59	26
45-54	29.09	35
35-44	22.66	17
25-34	16.58	9
16-24	5.08	3

Table 11.19

<u>Service Distribution (%)</u>		
<u>Years</u>	<u>Hourly Paid</u>	<u>Staff</u>
25+	16.84	35
20-24	9.67	13
15-19	19.66	17
10-14	20.08	17
5-9	17.00	8
1-4	16.17	9
less than one year	0.58	1

Figures supplied by the Company.

The Reasons for Closure

Management had only limited success in convincing opposition groups of the need to close Newlands. Managers argued that it was to save money and that, given market conditions, dual sourcing was not justified. The union report, however, maintains that

"the inclusion of Newlands in the cost-saving action programme is a cosmetic exercise designed to placate the financial institutions and reassure the investors who have seen their share values drop by two-thirds in less than two years

The crisis is not centrally one of markets or of excess capacity, although these problems do exist. The reason for the precipitate search for a means to actually close a plant lies in previous bad management decisions and pressure from international financial institutions" (union report).

Management replied to this accusation by asserting that

"no-one in senior management is trying to deny that there has been some element of management error in the current problems but I fail to see how that should be a reason for not taking those actions that are necessary to return the Company to profitability and so protect on a long term basis the jobs of the majority of employees" (management reply to the unions).

Whatever the reasons, the closure of Newlands was, according to management imperative. They were, however, unable to convince their employees of this partly, perhaps because the arguments were complex and partly because the figures which could prove their case were kept confidential.

"I couldn't possibly agree with the decision to go to France" (section leader).

"They shouldn't have closed the factory"
(lathe turner).

Although unable to fully legitimise their decision to close Newlands, management did have some success in explaining the precarious financial position of the Company and, to some extent, this delegitimised resistance.

"The unions were worried that if they pushed too hard there were 20,000 jobs in the UK at stake" (manager).

Symbolic Errors

Managers at Andersons made some symbolic mistakes which could have jeopardised the success of their strategies. Most notable of these, perhaps, was the early completion of the feasibility study. It was announced in September 1978 that the study would take three months, but it reported back in November. This made stewards and officials suspicious.

"For them to do a feasibility study in such a short time was impossible" (steward).

They became convinced that it was a "cosmetic exercise" designed to prove a foregone conclusion. Management answered this charge by saying that they simply put more man-hours in, in order to have the information sooner and put an end to uncertainty. This does not appear to have been accepted as all the stewards and officials I spoke to remained convinced it was a sham. It might have been better for management if they had taken longer: the symbolic value of which would have been

to reassure their employees of the integrity of their actions, despite having to wait longer for the results.

A second example was the refusal of management to allow trade union participation in the study. This aroused suspicion that management were hiding something. Andersons did not wish to involve the unions because of the confidentiality of their figures but, had they been involved, the closure might have been more acceptable to them.

"Andersons has a traditional position - they make a decision and the union agrees I think they made a mistake. If they'd come to the same decision with union involvement it would have been easier to accept"
(official).

In the use of unobtrusive power, the management of meaning becomes very important - the ability to influence perceptions is the key to success. In these examples, however, management's actions rendered them unable to influence perceptions in such a way that was advantageous to them.

The Outcome

Despite these errors, management's strategies enabled them to close Newlands without industrial action occurring. Furthermore, in the eyes of many people, management earned itself considerable credibility and praise for the way it had handled the closure, particularly for the way it had set up Merryvale.

"I believe that there was some sort of social conscience, if you can believe that in a multi-national company" (steward).

"They accepted their social responsibility - they had a conscience" (local council official).

"I think they did try not to leave the place with a hostile relationship" (union official).

"When Andersons decided to close its plant at Newlands in Scotland it did not just abandon its workforce. Instead it got together with them and tried to find a new use for the factory, so that Andersons would not leave its workers without jobs in an area of already high unemployment" (Engineering Today).

These sentiments did not, however, extend to many of the people who had lost their jobs as a result of the closure amongst which there was considerable bitterness:

"they should have paid more money" (ex-employee).

"Andersons wasn't fair" (ex-employee).

"They were ruthless" (ex-employee).

"People have been sold short" (ex-employee).

Although the officials and stewards thought the Company had acted humanely in trying to save jobs, they still felt that the closure had been unnecessary. It was, perhaps, this inability to accept the reasons behind the closure which led to the rumours that intervention by the French government had been the real reason why Andersons had moved production to France.

CONCLUSION

These three cases represent managerial success in implementing a closure decision without incurring overt resistance. To achieve this managers used a combination of unobtrusive measures designed to imbue their actions with legitimacy. Consultation, climate-setting, tactical opportunism, flexible redundancy arrangements, generous compensation and the explanation of the reasons behind the closure were used to secure legitimacy for the closure and credibility for management.

Such complex strategies were used because managers perceived a threat to their plans from opposition groups. At Mountside and Midville although opposition groups appeared to be relatively powerless, they had access to potential power sources: the CHC's formal right to object at Midville; the possibility that the division's business would be disrupted at Mountside. At Andersons, the stewards' history of industrial action indicated that they presented management with a very real threat. Unobtrusive measures were used in all these cases to render the mobilisation of these resources by opposition groups less likely.

Expertise in the ability to use symbols effectively enough to influence perceptions, attitudes and sentiments constituted a source of power for managers. Such expertise was clearly seen

in the actions of Dale and Oppen. The symbolic errors made at Andersons , perhaps, point to slightly less expertise in the ability to manage meaning. Their lack of success in convincing interest groups of the need to close Newlands is another indicator of this. They were not helped by the complex arguments involved in the decision, or by their desire to keep key figures confidential. Managers at Mountside and Midville benefitted from powerful symbols in the form of understandable, visible and acceptable reasons which justified the closure: the environment at Mountside; the expenditure cutbacks at Midville. Another source of power for managers was redundancy compensation which was used to induce workers to accept, leaving stewards without the support of their membership.

The three cases demonstrate differing degrees of success in the achievement of sentiments and substantive outcomes. Camerons was by far the most successful: the closure went ahead according to schedule and there was an almost complete absence of bitterness. Midville managers secured their closure but were delayed from doing so for eighteen months. Feelings among the majority of interest groups were favourable towards the closure and management's handling of it but some individuals who lost their jobs did display dissatisfaction and bitterness. Andersons managed to secure a peaceful closure but at the cost of Merryvale. Sentiments among stewards and officials were ambivalent: on the one hand they praised the Company for trying

to save some jobs, on the other they remain unconvinced of the need to close Newlands and they still believe that the study was a sham. Furthermore, although ex-employees who were employed at Merryvale are grateful to the Company, workers who lost their jobs are very bitter.

These outcomes can be seen to be the result of a number of interacting factors. Obviously, the ability to use unobtrusive power plays a large part. Different degrees of success at Mountside and Andersons can be attributed to differences in the degree of expertise in the management of meaning.

Unobtrusive strategies, however, are evoked in response to a perceived threat from opposition groups. So the overt power resources of opposition groups can initiate unobtrusive measures and the degree of the threat may have implications for the nature of those measures. Andersons, for example, may have been willing to make significant concessions because the stewards were so powerful. Oppen says (p. 6.25) that had the union officials been more actively involved, a greater threat would have been perceived and greater concessions might have been made.

Another important element is the perception of their power by opposition groups as this determines their actions which, in turn, have a bearing on the outcome. So, for example, the actions of the CHC delayed the closure at Midville. Stewards at Newlands perceived themselves powerless to take overt action

resorting, instead, to the unobtrusive strategy which helped to produce Merryvale. Had they taken overt action the outcome would have been very different as the Nortown example indicates. The perceptions of power by opposition groups may be influenced by the unobtrusive strategies of management but they are also linked to the power resources they actually do possess, past experience vis-a-vis management, the culture and other contextual factors.

The eventual outcome is thus a result of many inter-related processes and although this chapter has concentrated on the use of unobtrusive power, it is important to remember that this is closely linked to the power resources of the various interest groups and the context in which the closure takes place.

Chapter Twelve

NORTHVILLE: A CASE OF MANAGERIAL FAILURE

The previous chapters dealt with varying degrees of managerial success where the aim of peaceful closure was achieved. The Northville closure is an example of how managers in the health service failed to secure the closure of a hospital. These managers, confronted with effective opposition and without the support of any unobtrusive strategies of their own, were unable to legitimise their case for closure.

Sentiments and Substantive Outcomes

Managers in Northville wished to close Maine Road Maternity Hospital because of the falling birth rate. The closure of a complete hospital, rather than closing wards within a DGH, was an added attraction because of additional savings on overheads which would help to alleviate the pressing financial problems which had arisen as a result of the RAWP formula.

"Prompted by the fall in the birth rate and the effects this has had in recent years on the demand for obstetric services and at a time of severe financial stringency the continued retention of existing facilities cannot be justified and the AHA has decided that there must be a rationalisation of services" (consultative document, September 1976).

Management at Northville had a substantive outcome which they wished to secure but it appears they were rather less conscious of any need to influence sentiments. As the Midville case has shown, the managers of a health authority have to deal with a complex network of interest groups: unions, CHCs, employees, the AHA, the DHSS, the public. Any one of these groups may, if they oppose the closure, have the resources to force a change of strategy. For example, the CHC can formally object, the AHA can ignore management recommendations, unions can strike. As a result of this managers need to be sensitive to the views and feelings of these groups. This was all the more important in Northville where opposition groups had a history of confronting managerial decisions.

The Power of the Opposition

Northville represents a complete contrast to Midville in terms of the power of the unions and the CHC: here they possessed considerable resources of power.

Attitudes

One significant difference between the two health areas was in attitudes -if the stewards and officials at Midville were described as moderate, those at Northville were militant. There had been a history of confrontation between unions and management at Northville as chapters nine and ten have shown,

and there had been specific protests against the cutbacks in the service proposed in 1977. These attitudes which were inclined towards the taking of industrial action, were the result of a number of factors. Bosanquet (1979) has argued that industrial disruption in a health area is linked to militancy in the area as a whole. In Bosanquet's terms Northville was one of the 10% - a militant health area situated in a city with a long history of working class radicalism. These traditions were fuelled by the depressed nature of the area. Unemployment, for example, was about twice the national average (see table 12.1). Furthermore, as the Committee of Inquiry points out

"the proportionate contraction in population has increased each decade and between 1961 and 1971 was 20.8%"

It also mentions that Northville has a higher proportion of

"semi-skilled, unskilled and unemployed workers and a lower proportion of professional and managerial workers. There is a lower level of owner occupancy in housing and a larger proportion of dwellings with outside toilet facilities. There is also a higher proportion of elderly people, of single homeless and single parent families"

With regard to the health service there was considered to be an imbalance between primary and secondary care which led to a

"strongly held view that over-bedding should not be tackled until there has been sufficient improvement in the quality of community care services" (Committee of Inquiry).

Table 12.1

	<u>Unemployment</u>	
	<u>Local Rates</u>	<u>National Average</u>
July 1975	9.6	4.7
July 1976	11.8	6.1
July 1977	12.8	6.6
July 1978	13.1	6.9
July 1979	12.7	6.3
July 1980	14.7	4.7

The deprivation of this area combined with the background of militancy meant that employees and other groups associated with the health service were inclined to resist managerial decisions which threatened their services. At such times opposition groups were able to mobilise the structural sources of their power in the form of strong and supportive unions and the network of contacts with other groups such as CHCs, tenants' associations, community groups and political parties. It also appears that these groups were able to solicit coverage and support from the local media.

Opposition groups possessed both subjective and objective power

resources which they used effectively against management. This is demonstrated by the 1977 protest which secured the Committee of Inquiry. In light of these previous confrontations management should have been aware of a very real threat to their closure plans and, perhaps, paid more attention to influencing sentiments, mobilising unobtrusive power to gain acceptance for their policies.

The Absence of Unobtrusive Strategies

Northville managers failed to use any form of unobtrusive power to demonstrate the legitimacy of their decision, of the way it was to be handled, or their own credibility.

Climate-Setting

A climate had been set prior to the closure but it was not one that was conducive to a peaceful closure. The Committee of Inquiry has stressed the inadequacy of the industrial relations at Northville and criticised the way management had handled previous decisions. The resulting distrust and suspicion meant that management had destroyed its credibility in the eyes of employees, union officials and CHCs; most of whom were unanimous in their criticism of management.

"To the people of Northville it seemed as though the AHA was determined to bring the local health service to its knees by a process of attrition" (CHC secretary in published article, 1979).

"The left hand doesn't know what the right hand's doing" (steward).

"The AHA is badly administrated. I have a low opinion of the average officer there" (union official).

"The AHA is consistent in displaying a remarkable perversity to change its mind" (union official).

"Management was very naive about the way they handled staff" (steward).

Furthermore past decisions such as the new DGH had been greeted with derision.

"The hospital had become a national scandal" (CHC secretary in published article, 1979).

"The hospital is a bloody disaster. It's not the way people want to be looked after" (consultant).

As had the move to a single district:

"The fight for single district wasted time and created bitterness" (manager).

The move to single district has worsened industrial relations" (steward)

"Perhaps the clearest illustration of the AHA's self-inflicted problem is the single district problem" (CHC secretary in published article, 1979).

The climate which had been set in Northville was not one which was conducive to dealing with sensitive issues like closure: mistrust existed between unions and management; managerial credibility was low; and the principle of cuts in health services was not accepted by opposition groups. Furthermore these groups were in a powerful enough position to oppose the closure. They possessed the power resources necessary for overt confrontation and, as we shall see, they were able to mount

a highly effective campaign, designed to delegitimise the closure.

Tactical Opportunism

Because management failed to address the question of influencing sentiments they also failed to recognise opportunities which might have helped them gain legitimacy for their actions.

For example, they did not use the media to publicise and promote their case for closure.

"The ATO did not make use of the press.
They thought a rational debate in the
council chamber would suffice" (manager).

Another tactical error occurred when management missed an opportunity to split the opposition by presenting the two alternative courses of action: close Maine Road or close wards in the other hospitals. Some of the supporters of Maine Road lived near or had some other interest in the maternity wards at Sackville General and King Street Hospitals, had they been aware that these wards would close if Maine Road was retained, they might have been less willing to lend their support. This might have diminished the opposition to the closure. Management, however, failed to take advantage of the opportunity. The 1976 consultative document makes no mention of a second option. The supplement mentions the option only as

"alternative courses of action which the
authority has considered and so far
rejected" (supplement to the consultative
document, March 1977).

It is not until the minutes of the special meeting called to discuss the closure in July 1977 that the two courses of action are presented as alternative options. Until this time many of the public and the staff in the three hospitals were unaware of the consequences of saving Maine Road.

Redundancy

Redundancy never really became an issue at Maine Road but it has been pointed out by a manager familiar with both health authorities that, whereas Midville managers had produced a document before the closure stating that the utmost would be done to ensure maximum benefit for employees, no such assurance existed for Northville employees.

Consultation

Consultation regarding the closure was not brought up as a specific complaint in interviews but strong reservations were expressed regarding management's general reluctance to share information.

"You find out more by reading the paper"
(steward).

"Management says in effect 'I will consult
with anyone as long as you know I've already
made my mind up'" (steward).

This lack of consultation was also noted by the Committee of Inquiry (see chapter nine) and it undoubtedly had a damaging effect on the credibility of management.

The Reasons for Closure

Management failed to convince anybody - the employees, the unions, the CHCs, the public or the AHA that the decision to close Maine Road was justified. even though they had commitment to the general principle of the rationalisation of beds. They were unable to convince interest groups of both medical and financial reasons for closure.

Medical reasons are, as one would expect, a powerful influence in the health service with regard to both the public and the AHA.

"The medical network is powerful"
(manager).

"It is difficult to challenge their
views as laymen" (CHC secretary).

The agreement of consultants and doctors can legitimise an argument where irrefutable reasoning is hard to find. The closure of loss-making units in a free-market/capitalist economy is far easier to justify than the closure of hospitals where lives and emotions are at stake. General medical principles which might be used to guide policy decisions have a habit of changing over time. For example, the policy of large integrated hospitals was stated in the 1962 Hospital Plan and the 1967 Bonham-Carter Report, calling for 1500 bed hospitals. This, however, has been recently turned around by the current Conservative Government which is in favour of small community

hospitals (see Dean, 1980). There is then, no absolute right or wrong with many medical arguments and what may be perceived as right may be those actions which receive the largest amount of medical approval.

In the case of the closure of Maine Road, one very visible and voluble consultant, working at the hospital, allied himself with the opposition. He emerged as a public figure appearing in several press articles, on TV and at the public meeting. This consultant's opinion was reinforced by other medics. A new consultant on the AHA attended his first meeting on 23rd August 1977 when the vote to retain Maine Road was taken. It appears that he

"helped to make them [the AHA members] change their minds. He made a significant remark: 'If you close a hospital you can't re-open it so you are losing options but if you close wards you can always re-open them'. I feel that this influenced a lot of members when they voted" (CHC secretary).

Furthermore the Professor of Surgery, also an AHA member, was quoted in the press as saying that he was

"worried that the staff would be unable to cope if Maine Road patients were transferred to King Street. About half the staff at Maine Road were undergraduates at the University and if this teaching centre was closed they would have to do practical training [outside the city]". (local press article, July 1977).

Medical opinion thus appeared to be unanimous in its support for the retention of Maine Road. This made it difficult, if

not impossible, for management to medically justify its proposal to close Maine Road.

"I think the situation would have been different if the medics hadn't been against closure" (union official).

Some managers felt that they did not sufficiently impress the financial motives on other groups. This may be true of the first consultative document which only mentions financial pressures as determining the speed of the closure. By the time of the supplement, however, far more emphasis was being placed on financial criteria.

"The current rate of revenue expenditure will probably lead to an overspending currently estimated at between £¾ million and £1 million per year. To rectify this, the Authority will have to reduce its expenditure by at least double the amount during 1977/8. The long term consequences of repeated overspending are self-evident and the requirement to trim the budget paramount. The Northville trend of the falling birth rate is reflected nationally, and the present surplus obstetric facilities represent an unnecessary financial commitment that cannot be avoided" (supplement to the consultative document, March 1977).

This document recommends the closure of Maine Road because the termination of in-patient services will save an estimated £555,000 per annum. By the time the two alternatives are being considered the criteria are purely financial:

"the overall saving in running costs from the adoption of option (2) [the closure of the wards at Sackville and King Street] would be significantly less than that which will accrue from the closure of Maine Road

by a margin of approximately 2½ million per annum" (document assessing the two options, August 1977).

Despite this emphasis of finance by management, the case for closure was not accepted by other interest groups. It is doubtful whether, in Northville, financial arguments constituted legitimate justification for the reduction of services. There had already been the 1977 protest against cutbacks despite the fact that

"the introduction of financial constraints was a response to interim RAWP and cash limits. It was a response virtually imposed upon the AHA, and one that other AHAs have had to make in many regions in the country" (Committee of Inquiry).

The lack of acceptance for financial considerations can be explained by the fact that, in the eyes of many, Northville constituted a special case because of its high unemployment, urban decline, poverty and inadequate primary care. For these reasons, and the fact that the health service is usually viewed as providing a service and not making a profit, financial arguments lacked credibility.

"NUPE is always opposed to closures on financial grounds - they probably put too much weight on finance" (NUPE official).

Finance, then, was not a viable symbol which management could use to vindicate its decisions in the way that Midville managers had done.

Because of their failure to use both medical and financial arguments to justify the closure, management was unable to legitimise their proposal in the eyes of the employees, unions, CHCs and public who campaigned against the closure, and the AHA who voted for retention.

"There has got to be a very well-argued case for closure, people need convincing. They are going to have to be satisfied that the reasons for the closure are credible" (manager).

The Opposition's Strategy

If management failed to secure legitimacy for their policies it was partly due to the absence of any unobtrusive strategy to influence sentiments, it was also due to a highly successful campaign by opposition groups to delegitimise the closure and win a reprieve for the hospital.

The opposition campaign was initiated by the Action Committee which consisted of employees from the hospital. They took a conscious decision to employ tactics which were designed to persuade rather than force a change of heart. This involved, to a large degree, excluding the unions.

"If the decision (by the AHA) had been to close we would have gone along with it. We wouldn't have had a sit-in or anything" (employee - member of Action Committee).

"They (the staff) were put under a lot of pressure to join in with the left wing of

either political parties or unions.
The unions wanted to move in and they
steered clear of them" (CHC secretary).

The aim of the Action Committee was to mobilise widespread public support which in turn, they hoped, would put pressure on the AHA. A highly visible presence might have alienated the public.

The cultivation of widespread support proved to be relatively easy because the opposition were able to make use of a number of powerful symbols. The hospital itself was a symbol which engendered support.

"The hospital had emotional appeal"
(steward).

It was the largest maternity hospital in the UK, many local people had either been born there or had their babies there, it had survived the Blitz, and its output consisted of appealing new-born babies. Such factors may not carry much weight with managers but they undoubtedly attracted the public. Consequently 10,500 people signed a petition. The media picked up the story and members of the Action Committee were interviewed by local radio and TV. There was a "World in Action" programme on the closure. In 21 press articles, members of the opposition were referred to by name 33 times, as opposed to 16 references to individuals in favour of the closure. The emotive appeal of the hospital was enough to legitimise the case for retention in the eyes of the public.

The success of the Action Committee in securing the support of the public resulted in combined pressure from the public, unions, employees, medics and CHCs for the retention of Maine Road. The fact that the AHA bowed to this pressure, ignoring the recommendations of its managers, can only be fully explained by referring to the composition of the AHA and its relation to local politics. It was here, perhaps, that the opposition's most significant source of power was to be found.

The AHA and Local Politics

The AHA in Northville appears to be particularly vulnerable to public pressure.

"They [the AHA] were not prepared to do something that was so unpopular" (manager).

It has been suggested that the reason for this lies in the fact that the councillors (who make up one third of the membership) are keen to champion public causes. This is because there is no clear majority in local government and councillors are looking for causes that will help them to win votes. Their substantial representation of the AHA means that

"if they decide to turn up in force they can reverse any decision" (AHA member).

The belief among many managers is that

"it was opposition by the council that finally persuaded the AHA to go along with retention" (manager).

It was certainly the case that there was no clear cut majority in local politics.

"No other major city in Britain has suffered the fluctuating coalitions and power vacuums which Northville has experienced in the last eight years. In no other city has the balance of power between Liberal, Labour and Conservative been so keenly spread" (article in national newspaper, June 1981).

It is conceivable that the furore which resulted from the July decision to pursue the closure and the low turn-out, prompted councillors to vote for retention; certainly retention was proposed and seconded by councillors. However there were only 5 councillors present at the August meeting and the vote was 9:4 in favour of retention (exact details of voting are not recorded) which suggests that other AHA members, persuaded by either public or medical opinion, were in favour of retention. What is clear is that the Northville AHA was governed, to a lesser extent, by managerial recommendations than the Midville AHA, and this represented an acquisition of power for opposition groups, at the expense of management.

It would appear that, at Northville, opposition groups possessed both the structural power necessary for overt action and the symbols necessary to delegitimise the issue of closure. Furthermore as previous events demonstrate, these groups were capable of mobilising both types of resources to gain their objectives. Given this distribution of power in favour of the opposition groups, could management ever have succeeded in

an unobtrusive strategy? It does not appear to have been beyond the realms of possibility, given that they already had a commitment to rationalisation. It appears that they were totally unprepared for the public response.

"Management misread the situation. They had an incontrovertible case for rationalisation. They should have done better market research" (union official).

Had management been prepared for the public outcry, and developed tactics to counter it, it is possible that they could have persuaded the AHA to support the closure, perhaps on financial grounds.

It is difficult to say what would have happened had the AHA voted to proceed with the closure. The CHC would probably have registered a formal protest, sending the final decision up to the Minister. They may have have been threatened or actual action from the unions.

"We had made plans for an occupation" (steward).

"I would have recommended an occupation if there had been no reprieve" (union official).

Given recent events in Northville the Secretary of State having already agreed to the Committee of Inquiry, may well have reversed the closure decision.

Northville managers were in a relatively powerless position to achieve their goal of closing Maine Road, and even attempts to

influence attitudes towards the closure may well have been doomed to failure. This is partly due to the power of the unions in the area but it is also related to the mistrust and bad relations that had developed between management and unions (as well as other groups) since Reorganisation; had management been more concerned with sentiments then, and made attempts to justify its actions and demonstrate its credibility, the history of confrontation might have been avoided, making the achievement of its policies a lot easier.

Chapter Thirteen

SUMMARY AND CONCLUSIONS

It was argued in chapter one that more research into closure was needed because it is an increasingly common occurrence in Britain and, more recently, in the western world in general. I suggested, more specifically, that work needed to be done on the process of closure: on the way closures are managed and on how other groups respond to this. It was proposed that comparative work was needed if generalisations and theoretical frameworks were to be established. In chapter two, a political approach to closure was called for which also took into account the socio-economic context in which the closure took place. Chapter three focussed more directly on the notion of unobtrusive power, arguing that power can be used to prevent confrontation. By influencing sentiments the acceptance of a decision or action can be assured, thus enabling the political actor to achieve his desired outcome. This unobtrusive use of power, it was suggested, rested on the ability to manage meaning and legitimacy through the use of symbols, language, rituals and myths.

How has this research fared in the light of these demands?

What is its contribution? This final chapter seeks to clarify

and organise the findings of this research and establish its contribution.

The Substantive Area

What has been learnt vis-a-vis closure? The case-studies have demonstrated that, sometimes, managers do try to manage closure in such a way as to avoid overt confrontation. Their aim, in effect, is to secure favourable sentiments towards the closure among potential opposition groups which, it is hoped, will result in their acceptance of it. This represents the use of unobtrusive power.

In the three successful cases, unobtrusive power was mobilised in the face of a potential threat from opposition groups who had access to various structural sources of power which, if brought into play, could endanger management's plans to secure closure and/or jeopardise operations in other parts of the organisation. It would appear that there is a relationship between overt and unobtrusive power. Groups with some degree of overt power represent a threat which may lead their political opponents to resort to unobtrusive measures in an attempt to circumvent that threat. The Camerons case suggests that if no such threat is perceived, managers may feel no need to develop unobtrusive measures.

Successful managers, although faced with possible opposition, were in relatively powerful positions with recourse to their own sources of power. At Northville, however, management appears to have been relatively powerless in both overt and unobtrusive dimensions. Their inability to secure closure has been attributed to their failure to use unobtrusive measures in the face of a very powerful opposition. The question remains, however, would they have been successful had they done so? It may be that groups devoid of the structural conditions necessary for overt power are not in a position to mobilise the sources of unobtrusive power or, at the very least, the absence of structural power reduces the effectiveness of unobtrusive strategies.

The aim of managers using unobtrusive strategies is to secure legitimacy for the closure, thus making it acceptable to other groups. Closure has little inherent legitimacy and must, therefore, be associated with symbols that have. For symbols to be effective they must evoke the required sentiments from the opposition groups. The case-studies have shown the symbols which are relevant to closure.

Managerial credibility is an important prerequisite to a successful closure. If potential opposition groups do not trust the managers, they are unlikely to accept their decisions. In some cases, managerial credibility can be established prior to

the closure through a process of climate-setting. This is not always possible and managers may have to rely on a process of tactical opportunism, by taking advantage of any opportunity to demonstrate their good-will and justify the closure as it arises.

Consultation is another important symbol. It has a strong norm of legitimacy in the context of British industrial relations, and decisions and activities that are arrived at with union/employee involvement are usually more acceptable to those groups than ones which are not.

Redundancy compensation also has strong norms of legitimacy to the extent that it is institutionalised in the British legal system. Firms which provide generous and flexible redundancy arrangements are able to demonstrate their good-will. This is an important source of power for managers - the case-studies demonstrate how compensation acts as a powerful inducement to employees to accept the closure.

The reasons for closure, if accepted, enable managers to justify their decision. Reasons that are easily explained and understood can act as powerful symbols for managers as they legitimise the closure and delegitimise resistance. In the private sector, economic criteria have been a commonly used justification (as chapter ten has shown). Such reasons may not be so acceptable

in the health service. Here the emphasis is on the provision of medical services, and cutbacks in this may not be justifiable on financial grounds alone. In this setting medical opinion becomes important - if in favour of managerial decisions it can legitimise them. If, on the other hand, it is opposed to them, management may find it very difficult to secure acceptance for closure decisions.

The situation in the NHS is very complex - managers have to deal with a multiplicity of interest groups, one of which (the CHC) has the legal right to involve the Secretary of State. If this happens, health managers may find themselves unable to influence the situation: politicians may be more susceptible to other pressures such as government policies, the timing of the next election, than they are to the unobtrusive strategies of local managers. There are differences between public and private sectors, some of which have been discussed in terms of the health service. There are doubtless many more which have yet to be fully examined and understood.

There has been an accumulative effect of all the individual attempts to justify closure. Continual attempts to prove closure an economic necessity appear to have led, in general terms, to increasing acceptance of closure. It has been suggested that this process may account for the reduced use of the occupation to fight closure. An additional factor may be

high unemployment which has reduced the power of the unions and with it, the likelihood of broadly based support often necessary to prevent closures.

It would appear that, as a result of these pressures, overt attempts to prevent closure have become less common and if opposition does occur, it is more likely to be unobtrusive in nature. The success of attempts to delegitimise closure will hinge on the ability of actors to manipulate the appropriate symbols. This may be difficult in the industrial sector where economic arguments may be the only acceptable way to contest closures. Figures may not be available to opposition groups who are then in the position of having to use a line of reasoning that they can never prove. Furthermore, it requires opposition groups to be fully conversant with the often complex arguments which management use. In the health sector economic criteria can be countered on moral, social and medical grounds. Other areas of the public sector may use non-economic criteria as a basis for decision-making which suggests that there are a wider variety of symbols which opposition groups in the public sector can use to fight closure decisions.

In substantive terms this research has provided some indication of how closures may be managed to avoid resistance, why managers might feel that this type of strategy is a necessity, and the implications this has for the attitudes and actions of those

groups potentially opposed to closure.

The Theoretical Area

This research also makes some contribution to the theoretical area of power and political behaviour. It goes some way towards reaffirming existing research in these areas. For example, it concurs with the view propounded by, among others, Child (1972), Pettigrew (1973), Salaman (1979) and Pfeffer (1981), that a political perspective is a valid approach to organisational analysis.

The discussion of overt power affirms the basic tenets of the resource-dependency approach to power - the possession and use of scarce resources, making others dependent upon the actor is a source of power over them. See, for example, Emerson (1962), Mechanic (1962), Hickson et al (1971), Pettigrew (1973), Ranson (1981). The discussion of unobtrusive power accords with Lukes' view (1974) that power can be used insidiously, enabling the powerful to achieve their ends because the powerless fail to oppose them. The case-studies reaffirm the view that securing legitimacy is a significant facet of political behaviour (see, for example, Anthony Cohen, 1975; Dowling & Pfeffer, 1975; Pfeffer & Salancik, 1978) and that the manipulation of symbols is an effective way of achieving legitimacy (Abner Cohen, 1975; Pettigrew, 1979; Pfeffer, 1981).

This research adds to, as well as reaffirms, existing literature. The focus has been on the use of unobtrusive power to secure legitimacy for managerial actions and decisions. Two methods have been used to accomplish this: the redefinition of legitimacy; the association of activities with symbols which have a high degree of inherent legitimacy. These concepts have been found to be useful for the analysis of closure and the processes have been clearly demonstrated. It is conceivable, however, that this framework of overt and unobtrusive power has a far wider application.

The notion of actors trying to influence feelings as well as outcomes was, perhaps, first developed in the context of national politics by such writers as Edelman (1964). This would seem to be a fruitful area for the study of unobtrusive power. In the western world, governments rarely use overt power to secure their ends. Politicians do, however, make constant use of symbols and language to rally support for their manifestos and to delegitimise the policies of their opponents. In the long term, the manipulation of symbols by politicians and other interest groups redefines the legitimacy of certain issues and so, for example, abortion and homosexuality have become more acceptable, in both legal terms and in terms of societal attitudes, while pollution has become less so.

Issues in organisational analysis, other than closure, would

also appear to be conducive to the use of this framework. Decisions which threaten the distribution of resources are likely to evoke political behaviour (Pettigrew, 1973; Mumford & Pettigrew, 1975). This may take the form of overt confrontation between political opponents but if some actors are anxious to secure a particular outcome without incurring overt opposition, they may resort to unobtrusive strategies. At the more general level, organisational cultures may reflect the use of overt or unobtrusive power by managers in their attempts to control employees. So, for example, the culture at Ford has been related to a confrontation style of management (Beynon, 1973) whereas attitudes at Chemco have been attributed to a far more subtle use of power (Nichols & Armstrong, 1976).

Future Research

This piece of research has then, gone some way towards fulfilling the demands stated in the earlier part of this book. This is not to say that everything has been accomplished - there is still room for a great deal of research in the future.

It is important to recognise that the findings are derived from only four case-studies. There is undoubtedly a need for research into larger samples if these findings are to be consolidated.

This research has raised issues which it has not been able to answer fully and which invite further attention. One such issue concerns the relationship between overt and unobtrusive power: what is the exact nature of this relationship, how much does one influence the other? A second issue concerns the nature of the symbols used to secure legitimacy. Symbols relevant to closure in Britain have been identified but are such symbols appropriate to closures in other countries where, for example, redundancy compensation is not institutionalised and unions are more or less powerful? More research needs to be undertaken into opposition to closure to find out how unobtrusive measures are successfully employed and which symbols are effective in preventing closure. A difference between public and private sectors has already been noted but just how different are public closures to private one? How useful are financial criteria in the public sector? What other symbols have been successfully used in the public sector? These case-studies have all involved large organisations but the closure of a complete firm may be different to the closure of part of a large one, closure in a family firm may be different to closure in a bureaucracy, closure in a declining industry may be different to closure in an expanding one. These are all questions that need to be answered.

There is research potential in other substantive areas. One closely related area in which the workings of unobtrusive power

might be found is in closure decision-making. As has been discussed above, other organisational decision-making and implementation processes may be appropriate to this perspective. The questions here are: are unobtrusive measures used to achieve outcomes and prevent opposition? If so, which symbols are used? Which symbols are associated with success? More research is needed into the different types of symbols: language, myths and rituals.

There is, then, a great deal of scope for future research but, hopefully, this research has made some contribution to the existing material on closure and on political behaviour in organisations, and has indicated in which direction future research should go.

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