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Productivity Bargaining in the British Steel Industry, 1964-74

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Synopsis of the Thesis

The aim of the thesis is to provide an analysis of the British steel industry's attempts to deal with the reform of industrial relations in the period 1964-74, and to evaluate the contribution of productivity bargaining to that process.

After a first introductory chapter, Chapters Two to Four are concerned with outlining the industry's problems, the employer's response, and with the negotiation of industry-wide productivity agreements. The contribution of productivity bargaining is evaluated in Chapters Five to Eight in which industrial relations at Corby and Ravenscraig Works are examined.

The methods of investigation include the use of primary sources such as private letters, minutes, reports and statistical data, and also published material; this was possible through the author being employed at Ravenscraig during 1965-70. Other data was gathered through interviews with union officials and managers at various levels, the interview programme being carried out while the author was employed at the Steel Industry Management College, 1971-75. In addition, employee attitude surveys conducted at both Corby and Ravenscraig provided relevant material.

The thesis tries to improve understanding of the collective bargaining process by a detailed examination of bargaining structures, by tracing the reaction and interactions of management, unions and work groups to changes in the awareness of their interests as they either react to a structural change or introduce a new one which thereby alters behaviour. The principal arguments are contained in three sequential but integrated hypotheses which identify the key explanatory variables and the nature of their interaction. The main contribution of the thesis is to refine and make more precise the application of both systems theory and job regulation theory to the factory level reform process.

The conclusions follow from the testing of the hypotheses and are as follows: (i) The collective bargaining structure is a major variable explaining industrial relations behaviour. (ii) A major weakness of both systems and job regulation theories is the one directional nature of their causal sequence and the thesis illustrates a systematic process of two way interaction between the key structural factors and the behavioural response. (iii) The more centralised, standardised and formalised the key structural variables (that is, the collective bargaining arrangements, management and union organisations) the greater the power of leaders to assist or resist reform. Conversely, the more structures are fragmented with power devolved the weaker the leaderships' influence. (iv) The adherence to a definite causal sequence of key variable interaction increases the probability of a successful outcome.

The hypotheses are tested and the conclusions validated in Chapters Five to Eight of the thesis.

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List of Abbreviations

ACM	Abnormal Condition Money
APEX	Association of Professional Executive Clerical and Computer Staff.
ASTMS	Association of Scientific, Technical and Managerial Staffs.
AUEW	Amalgamated Union of Engineering Workers Engineering Section: AEU
BISF	British Iron and Steel Federation
BRTS	British Roll Turners Society
BSC	British Steel Corporation
CWPP	Corby-Wide Productivity Programme
EETPU	Electrical, Electronic, Telecommunication/Plumbing Union
GMWU	General and Municipal Workers Union
ISB	Iron and Steel Board
ISTC	Iron and Steel Trades Confederation
ISTEA	Iron and Steel Trades Employers' Association
MEUMM	More Effective Use of Maintenance Manpower
NCCC	National Craftsmens Coordinating Committee
NJIC	National Joint Industrial Council
NJTUCISC	National Joint Trade Union Craftsmens' Iron and Steel Committee
NUBF	National Union of Blastfurnacemen
PIB	Prices and Incomes Board
SIMA	Steel Industry Management Association
SISTJC	Scottish Iron and Steel Trades Joint Committee
TASS	Technical, Administrative and Supervisory Section: Amalgamated Union of Engineering Workers
TGWU	Transport and General Workers Union
TUC	Trades Union Congress
TUSICC	Trade Union Steel Industry Consultative Committee or Steel Committee

UCATT

Union of Construction and Allied Trades and
Technicians: AUBTW (Bricklayers)

WRP

Works Review Panel, Ravenscraig Works.

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Chapter One

Introduction and Argument

The study traces industrial relations reform in the British steel industry and the use made of productivity bargaining as an agreed means of coping with change in the period 1964-74. The first three chapters provide an industry-wide background to the works or factory level studies dealt with in Chapters Five to Eight. Chapter Two entitled 'Problems and Causes', gives attention to the factors making for change and their inter-relationships. Chapter Three called 'Development of the Employer's Strategy' investigates the formulation of management's main plans to solve these problems. Chapter Four entitled 'Action: Negotiations and Productivity Agreements' is concerned with the trade union response to management's strategy and with the agreements concluded.

Chapters Five and Six deal with industrial relations at Corby and Chapters Seven and Eight at Ravenscraig works. In this study the word 'works' or 'factory' is preferred to the word 'plant' which is more commonly used in the industrial relations literature. The reason for this departure is that all steel works consist of a number of plants or units of production. Therefore, the use of the word plant to cover a whole works would be artificial and confusing in this context. Chapters Five and Seven outline the traditional industrial relations arrangements as found in the period 1964-70, and analyse the factors, both national and local, causing pressure for reform of the traditional system. In addition, Chapter Five on Corby traces the origins of productivity bargaining. Chapters Six and Eight deal with the major changes

including those established through productivity bargaining in the period 1970-74.

The method of approach in these chapters places a strong emphasis upon a detailed and accurate description of the facts. However, any investigation of the factual world has to make use of some abstract mode of thought or concept to order and make sense of the empirical material. Also, it is necessary for the sake of objectivity, for the author to make explicit the particular standpoint from which the study is approached. The approach used is based upon 'systems' and 'job regulation' theories as these have been developed in the literature, and to which the writer has been subjected as a student of the subject. This approach is seen from the layout of the various chapters which identify environmental variables and, then within this systems framework, the institutions of job regulation including their collective relationships or rule making functions. (1)

In addition, systems and job regulation theories are useful to pose what A. Flanders called the right question for enquiry. Consequently, throughout a critical attitude is adopted to probe the usefulness, strengths and weaknesses of these established theories in explaining steel industry industrial relations. Of course, the literature contains many criticisms of both theories. For example, CJ Margerison(2) argues that job regulation theory concentrates upon conflict resolution and thereby does not give sufficient weight to the diverse sources of conflict generation. Thus, Margerison takes the view that industrial relations theory must take account of non-institutional (that is, behavioural) sources of conflict. Moreover, it was A. Flanders who excluded unstructured personal relations between management and employees from industrial relations enquiry.(3) In a similar vein, but

from a different standpoint, R Hyman regards job regulation as too narrow a theoretical focus, and prefers to treat industrial relations as a study of the 'processes of control over work relations'.(4) This definition emphasises the conflict revolving around the wider structures of power and interests which, in Hyman's view, are closely tied to the contradictory tendencies in the capitalist economic system. Hence the workers aspirations and objectives as distinct from those of the official trade union are just as important to the scope of industrial relations enquiry. AN Blain and J Gennard (5) have argued that although job regulation has articulated a process of change in industrial relations, nevertheless, the theory fails to explain systematically the relationships between such environmental factors as the economic, legal, technical and sociological which cause change in the underlying balance of power between the parties, and thereby a change in the rules. These weaknesses will be a major concern of this study as revealed in the hypotheses outlined below. Finally, Hyman (6) further criticises job regulation and systems theories for their emphasis upon order, or equilibrium which gives credibility to the notion of a shared or common ideology underlying the apparent diversity in industrial relations. Thus, he argues, that this emphasis is misleading in a field study characterised by conflict and disorder. Moreover, a similar criticism is made by PD Anthony (7) who states that industrial relations are not as tidy and orderly as job regulation theorists imply.

Similarly, systems theory as developed by JT Dunlop (8) has also come in for severe criticism. Blain and Gennard (9), although supporting the theory, point out that it defines the study of industrial relations as consisting of a 'web of rules' (the system outputs), the parties who make and administer the rules, and several environmental factors (the system inputs) an alteration in which will cause a change in one or more of the

rules. However, systems theory is said to be weak in articulating the processes by which a change in the web of rules is achieved. Also, it is argued that the systems approach stresses the importance of system goals, functions and structures as somehow existing independently (reification) of the people who make up the system. As a result, the importance of peoples' motives, interests and objectives as they interact with the structures are given insufficient weight. Again the systems abstraction appears all too tidy an explanation, pushing as it were industrial relations reality into a systems mould. In the real world both parties are likely to have multiple goals changing over time, which are internally in conflict.(10)

Notwithstanding the criticisms levelled at both these theories, this thesis attempts to construct a number of hypotheses aimed at refining their application to factory level industrial relations reform. The hypotheses are developed and tested at the end of Chapters Five, Six, Seven and Eight. The argument is that the institutions of job regulation and in particular the structure of collective bargaining (including pay structures) are major variables determining behaviour in industrial relations. Further, the collective bargaining structure has several dimensions including the level at which negotiations are conducted, the scope of the subjects covered, the bargaining unit, and the form the agreements take. (11) Consequently, the first hypothesis states that a change in any of these collective bargaining dimensions (the independent variable) will result in a change in the behaviour of the parties (the dependent variable) in the direction desired by the initiating party. For instance, if management formulate an objective to increase internal works labour mobility and flexibility (assuming fragmented collective bargaining), then, they will have to widen the bargaining unit, probably negotiate at works level, and extend the scope of joint regulation to achieve this behavioural change.

Moreover, in developing the hypotheses, systematic attention is given to changes in the wider environmental factors (that is, labour and product markets, the technological context, financial and legal constraints), which influence the collective bargaining structure, and the behavioural response of the parties. These responses are in turn partly determined by the parties' perceptions and understanding of their economic and status interests, and changes in the power balance between and within management and union organisations. Therefore, social action theory as developed by D Silverman (1) who emphasises the subjective meaning people attach to their objective reality is incorporated.

Hence the first hypothesis, like the established theories, accommodates the prediction that a change in collective bargaining structure can have sufficient power to alter peoples behaviour in the direction required, but equally a change in a leader's, work group's or a union's awareness of its interests can alter a structural factor considered an obstacle to the party achieving its objective. As a result, the main weakness in both systems and job regulation theories is seen as the one directional nature of their causal sequence. However, unlike some interpretations of social action, namely that by JH Goldthorpe et al (13), this hypothesis places great weight upon the influence of the internal system structures (within the workplace) in shaping behaviour. The upshot is an analysis which pays greater attention to the dynamics of change, and therefore, gives more weight to instability in industrial relations than do both systems and job regulation theories. Therefore, the idea of an integrated value system shared by the parties giving order and stability to the system is criticised.

A second hypothesis states that the more centralised, standardised and

formalised are management and union organisations and the collective bargaining structure the greater power of management and union leaders to secure change in employee behaviour. Conversely, if these variables are informal and fragmented allowing power to be devolved to fairly autonomous union branches, work groups and managers, the hypothesis predicts that any proposed change in structure will meet with greater resistance. However, again this one-directional sequence of causation is not adequate in itself. The hypothesis must also accommodate the possibility that centralised management, union and collective bargaining structures can be used by leaders to resist proposed reforms more effectively in the specific case. Whether a particular proposed reform is resisted or not depends upon the leaders' perceptions of their own and their members interests. In addition, the hypothesis recognises the possibility of a leaderships' objectives diverging in the short run from those of their members, and thereby, influencing industrial relations outcomes.(14)

A third hypothesis argues that a probable sequence of priorities or processes of causal interaction exists between the various inter-firm (system) variables. This causal sequence can commence with one of the parties, say management, formulating a strategy in response to some internal or external change. In turn management would initially modify the works technology, next its own internal organisation, then, alter the collective bargaining arrangements, and finally cause a change in trade union organisation and behaviour. This sequence is shown at Corby where management in response to a changing technological environment modified works technology, united tubes and steel management organisations, then established the Corby-Wide Productivity Programme which in turn brought into being the Trade Union Policy Group. Thus management's strategy obtained a change in trade union behaviour by

increasing the degree of centrality, standardisation and formality in union organisation which in turn facilitated the reform. This same sequence of interaction can be traced for the maintenance workers at Ravenscraig. Therefore, the third hypothesis predicts that if any party wishes to pursue an objective by changing the other party's behaviour the probability of success will improve by working through the sequence of variables in the order identified. This conclusion is tested in the text in so far as the Corby reform was carried out in the manner described above, whereas at Ravenscraig, with the production workers, management altered their own organisation and then attempted to change that of the union without altering the formal collective bargaining arrangements.

The concept of power is built into the hypotheses, and is viewed as a force activated by the party commencing the sequence, but also as arising from the transmission of influence through the intermediate variables. Here power in both its structural and ideological forms can coerce an opposition party or be used to legitimise the actions of the initiator. Thus a party in pursuit of its interests will probably alter first its own organisation where its power and control are greatest, then the collective bargaining structure where its power is weaker, but greater than its power with the other party whose behaviour the initiating party wishes to change. Of course, power might basically be derived from wider social, economic and political processes in society that lie behind changes in the product market and technological environment of the enterprise. However, these wider social forces are for the most part accepted as a given and are not of central concern in this thesis.

The thesis also attempts to provide a synthesis by bringing together

formal systems theory and job regulation theory on the one hand and the social action perspective on the other. Given the hypotheses stated above formal theory secures the advantage of greater precision in explaining and predicting change (namely by taking systematic account of the subjective meanings accorded to external events by individuals and informal groups, and by showing how the formal structural variables can be used to control differences in individual and group perceptions). The latter point is most clearly revealed by the second hypothesis which shows that the higher the degree of centrality, formality and standardisation in the institutions of job regulation and their collective bargaining arrangements, the greater the power of the leadership to control their constituents in the direction favoured by the leadership. The third hypothesis takes this process further by discussing the respective parties' response to some internal system or environmental change, in the formation of a strategy to tackle the problem identified, and in working through the structural variables as stated above.

Finally, Chapter Nine will briefly summarise the main conclusions and pull together the hypotheses of the thesis.

References.

- (1) G Bain and HA Clegg, A Strategy for Industrial Relations Research in Great Britain, BJIR, March, 1974.

The authors argue that a systems approach is only useful as a heuristic device for structuring data (page 92). Although this advice is followed here with regard to the organisation of the empirical material, nevertheless, the hypotheses developed retain elements of systems theory such as changes in the environmental contexts as inputs, and also contains the emphasis which the theory places on structure as a partial determinant of behaviour.

- (2) CJ Margerison, What Do We Mean by Industrial Relations? A Behavioural Science Approach, BJIR, Vol VII, 1969.
- (3) A Flanders, What Is Wrong With The System?, page 10.
- (4) R Hyman, Industrial Relations, A Marxist Introduction, pages 12 and 31.
- (5) AN Blain and J Gennard, Industrial Relations Theory, A Critical Review, BJIR, November 1970, pages 402 and 405.
- (6) R Hyman, op cit, pages 11 and 12.
- (7) PD Anthony, The Conduct of Industrial Relations, pages 2 and 3
- (8) JT Dunlop, Industrial Relations Systems.
- (9) AN Blain and J Gennard, op cit, pages 398-404.
- (10) PD Anthony, op cit.
- (11) WEJ McCarthy, Reform of Collective Bargaining at Plant and Company Level Manpower Paper No5, Department of Employment.
- (12) D Silverman, The Theory of Organisations.
- (13) JH Goldthorpe et al, The Affluent Worker: Industrial Attitudes and Behaviour

The authors do not attach importance to the internal organisation of tasks, technology etc., but emphasize the importance of external factors in influencing attitudes within the workplace.

- (14) R Hyman, op cit, page 16. Hyman makes a similar point.

Chapter Two

Problems and Causes

The central problem experienced by the British steel industry throughout the period 1964-74 was its poor productivity compared with other international steel producers. The British Iron and Steel Federation Report on Labour Productivity and Manning (1967) for example, using the measurement of manpower required per 100,000 ingot tons shows Great Lakes in the United States with a ratio of 240 man years, Toranto in Italy 230, Takai in Japan 321, whilst in Britain the ratio varied between 600 and 1,000. Another writer in the field, Richard Pryke, records:

'Between 1965 and 1969 crude steel output rose by 15% in this country. In most OECD countries the increase was at least twice as much and in Japan and Belgium it was three times as large. The only place where productivity increased more slowly than in Britain was in the United States.'

(R Pryke, Strategy for Steel, page 27 (1972))

International comparisons on steel are acknowledged to be difficult due to the problems of boundary definition (eg, in some countries labour intensive engineering work is included) and to the extensive use made of sub-contracted labour (especially in Japan); nevertheless most authorities including the British industry itself considered by the middle 1960's British steel productivity to be low by world standards.(1)

This performance is partly reflected in Britain's diminishing share

of a growing world steel output as Table One shows:

Table 2.1
World Steel Tonnage Exported:
Changing Market Share by Major Producers, Selected Years, 1950-70

	1950	1955	1961	1965	1970
U.K.	18.3%	12.9%	12.0%	9.0%	6.0%
Japan	-	-	9.0%	23.0%	29.0%
E.C.S.E.	-	-	50.0%	42.0%	28.0%
Comecon	-	-	7.0%	9.0%	15.0%
Others	-	-	22.0%	17.0%	22.0%

source: BSC, internal document

Possible explanations as to the British industry's poor productivity are many and varied. Moreover, it is not my intention to deal with the non-labour productivity aspects in great detail. There are however, a few points in the economic-technical area which provide a deeper and more comprehensive understanding of the industry's problems. Firstly, low productivity is probably related to the slower economic growth rate of the British gross domestic product (to which steel consumption is closely tied) (2) compared with that of foreign steel producers. Secondly, during the 1950s and 1960s new foreign iron ore reserves were discovered and exploited. This altered relative costs between foreign and domestic iron ores to the disadvantage of the many British works located inland on higher cost ore and coal fields. Simultaneous advances in shipbuilding technology allowed for the construction of larger ships which helped to promote this development. A third reason related to the size of the British industry with units of plant and works too small to gain maximum economies of scale.(3) In 1969 only Port Talbot could produce more than two million tons per annum, whereas the Japanese had thirteen works and the Germans eight in this category. A fourth reason was the type of technology utilised. The Benson Report (British Iron and Steel Federation, 1966) had recognised the LD process(4) as the cheapest

method of converting molten iron into steel. In that year this process accounted for 20% of crude steel output, and by 1969 it had risen to only 27.6%. On the other hand, the LD process made 76.9% of Japanese, 71.7% of Dutch and 46.0% of German crude steel respectively.(5) Change to the LD process was desirable, but its late acceptance amongst British producers coincided with a period of world surplus capacity (to be discussed later), and also a reluctance to engage in new capital expenditure at such times.

A fifth reason for low productivity, was the use made of the industry's manpower. As far back as 1954 a special committee was appointed to consider the evidence on labour productivity arising out of the Anglo-American Team Report, 1952. Although the Committee did express some concern over the low utilisation of service and maintenance manpower, it took the fairly complacent view that the manning of production jobs was not abnormal.(6) A number of reports concerned with the industry's manning and productivity appeared subsequently,(7) but it was only in the middle 1960s that the problem was taken seriously. In 1966 the Benson Report declared that by 1975 the industry must produce one third more output with one third fewer men to achieve competitiveness by international standards. However, Benson was largely a technical and economic report, and the Federation's detailed analysis of the manpower issue was conducted by the Morris Working Party.(8) In February 1966, the Iron and Steel Trades Employers' Association (ISTEA) set up a working party under the chairmanship of H Morley to investigate ways of improving the utilisation of maintenance manpower. The working party produced a document entitled 'The More Effective Use of Maintenance Manpower'(MEUMM) which it published for management consumption in October 1966. Yet another working party under the Chairmanship of H Jones was set up in November 1966 in response to an Iron and Steel Trades Confederation (ISTC) claim for an annual

guaranteed wage for all manual workers. This ISTEA working party published an internal report(9) in June 1967 which was to have a significant influence on the shape of future British Steel Corporation industrial relations policy. All these reports concentrated in the period 1964 to 1967 are indicative of the employers' increasing concern with the problem of low productivity.

What then of their analysis regarding the reasons for low productivity? The Morris Working Party made the following statement:

'The working party believes that the priority given to the reconstruction and modernisation of the industry diverted managerial effort from the comparable priority of maintaining maximum labour efficiency.'

Clearly representatives of the BISF formed the view that there was much room for improvement in the management of human resources. They identified a number of reasons for overmanning: firstly, that excessive numbers were carried to cover for sickness, absenteeism, and holidays; secondly, that management had accepted existing manning standards even though technological change had reduced the labour effort required on many units of plant; and thirdly, that rigid promotion lines and local departmental agreements often prevented a flexible and mobile use of manpower resources. In all these instances management too readily accepted established and customary practices in preference to challenging the unions, and as a result their control had diminished.(10)

On the maintenance side, the Morley Working Party recognised that management often had little control over performance. Senior engineers and consultants estimated that the performance of maintenance workers could be

doubled in terms of the British Standards Institute scale.(11) Moreover, pressure for change in maintenance worker productivity was augmented by technological change increasing their proportion in the manual labour force.(12)

By the middle 1960s, the industry's managers had become increasingly aware of the low productivity problem which had been forced upon them by external changes in steel making efficiency standards set elsewhere in the world. In order to develop this argument further and to gain a better understanding of the forces at work a brief analysis of the international product market and the industry's price determination process is now called for.

The steel product market changed markedly in the 1960s with a reduction in Britain's share. This was attributable to a number of factors. Firstly, to the Japanese whose output rose from 5 million tonnes in 1937 to 88.5 million tonnes in 1971.(13) Also the Western Europeans, initially concerned with domestic reconstruction were in this period penetrating international markets. For example, West German production had risen from 19.8 million tonnes in 1937 to 40 million tonnes in 1971. Furthermore, traditional British customers such as Commonwealth and other developing countries increasingly built their own steel making capacity and these markets became more difficult. Another major source of additional steel output was the communist countries with the Soviet Union producing by 1974 an output of 120.6 million tonnes. This output pushed the United States with 109 million tonnes into second position in the world league. The upshot of this great increase in world steel output was for supply to outstrip the rate of rise in demand resulting in excess capacity as Table Two shows.

Table 2.2

World Steel Capacity, Production and Utilisation of Capacity
for particular periods, 1955 to 1965

	World Capacity Million Tonnes	World Production Million Tonnes	% World Capacity Used	% UK Capacity Used
1955-57	325.2	310.8	95.7%	95.8%
1958-68	435.5	339.2	78.5%	89.3%
1961-63	473.6	402.2	84.9%	78.6%
1964	552.5	479.0	91.7%	89.0%
1965	566.4	503.1	88.8%	88.0%

source: Rowley, Steel and Public Policy. pages 186-187

Table Two shows that from 1961 onwards the degree of capacity utilisation was lower in Britain than for the world as a whole. This in turn helped to raise the British industry's unit costs. Furthermore, given the emergence of surplus capacity in the late 1950s there was a change from a sellers' to a buyers' market and steel prices hardened. The increase in world steel competition was further increased by the general reduction in steel tariffs, (14) a trend which continued with entry into the European Coal and Steel Community. A comparison of the UK retail price and steel price indices for the years 1954 to 1965(15) provides some evidence of these factors at work. The retail price and steel price indices rose by 41.7 and 36.6 points respectively. Moreover, export profits were £20 million lower in 1965 than in 1960, although sales were 11% higher.(16)

Another constraint the industry faced on prices was the Iron and Steel Board (ISB). This was set up in 1953, after denationalisation, with powers to set maximum prices which applied to 90% of steel products. In effect these maximum prices became actual prices at which steel was sold.(17) The belief of the Board was as follows:

'... that in an expanding industry prices should be high enough to warrant investment in the construction of new capacity and low enough to bring economic pressure on producers to modernise or replace old or obsolete capacity.'

ISB, Annual Report, 1964, page 25.

During the period of good trade prior to 1960 the effect of this policy was to keep prices, costs and profits down.(18) After 1960 the policy of the Board became much more controversial with the emergence of a buyers' market. The ISB took the view that its policy on price determination was long term, that is, took cognizance of ups and downs in the steel business cycle. Whereas the BISF (which negotiated with ISB on behalf of the steel companies) considered the Board's practice unfavourable with rising unit costs and prices not being raised adequately to furnish sufficient profits. Consequently, the BISF concluded, earnings on price controlled products were more than 13% lower in 1964-65 than in 1959-60, although output was 11% higher.(19)

When the industry was nationalised in July, 1967, the ISB was wound up. However, government intervention continued. In December 1968 the new Steel Corporation submitted proposals to government for price increases which were referred to the National Board Prices and Incomes (PIB) under the then Prices and Incomes Act.(20) The proposed increases were delayed until June 1969, and then cut by 25% until November 1969. Subsequent price submissions were also reduced by government as in January 1970 from 12% to 10% and again in April from 14% to 7%. Therefore, the industry, whether under private or public ownership, has taken the view that there has been too much restraint on prices. Moreover, the Select Committee on Nationalised Industries stated that the Corporation has suffered too much from Ministerial intervention in its

pricing policies. This intervention resulted in a loss of revenue of between £150 and £200 million to March 1973.(21)

So far then, the argument has shown that certain factors external to the British industry, namely the improvement in world steel making efficiency standards associated with new technological innovations, the increase in product market competitiveness, and government intervention in the industry's price determination process, all affected the industry's earnings and created pressure on the employers to recognise the need to improve productivity. However, in the British steel industry the successful outcome of management decisions to initiate new investment, raise manpower utilisation, and take a tougher attitude to costs cannot be decided without regard to the trade union response. In addition to reacting to the employers initiative, the trade union response is also influenced by more general changes in society such as full employment and social values. Here management have a related yet separate problem which must be taken into account.

The ability of the unions to exert pressure upon employers depends largely on bargaining power, and the power of the steel unions, as in other industries in the country, appeared to increase in the period under review. Since World War Two various governments have shown a commitment to sustained full employment.(22) Between 1956 and 1972 the average unemployment rate was 2.1% compared to an average rate of 15% to 16% in the 1930's. This change has made its mark upon labour market conditions, and has also transformed workers' aspirations and attitudes to work including what they expect to get from it.(23)

Another factor influencing the power of the steel unions, and in particular that of shop floor work groups, has been the increasing capital

intensiveness of the industry and technological integration of production. This is related to the point made above concerning external pressure upon employers to increase productivity due to improving standards elsewhere in the world. In response, British steel employers steadily made technological innovations which improved blastfurnace preparation, introduced fuel injection and increased the size of furnace hearths. As a consequence, between 1957 and 1965 the number of blastfurnaces in use fell from 78 to 66, whilst average annual output rose from 145,000 tons to 263,000 tons.(24) On the steel smelting side, there has been a shift from the basic open hearth furnace to the LD oxygen blowing process. For example, in 1955 there were 328 open hearth furnaces in use, falling to 209 in 1966.(25) More important the technological integration of production has increased the pace of work. For instance, change in cycle time between charging a converter with scrap and molten iron, and tapping its 150 tons of liquid steel has been reduced to 40/50 minutes per charge compared with seven to nine hours for a 250 tons open hearth furnace.(26)

The upshot of these technological innovations has been to speed up the transmission of molten metal between the various units of plant, and to increase the degree of interdependence between units along the work flow. In terms of power relations, the elimination of certain technological buffers has increased the proportionate damage which any union branch or work group can inflict upon the total production flow. Here a strategically placed work group such as a blastfurnace crew or LD vessel crew, on stopping work can bring the whole work flow to a halt within a few hours. Whereas, under the traditional system, even in an integrated works,(27) if the blastfurnace crew stopped, the open hearth furnaces could continue for a longer period to produce steel using pig iron from stock. This was no longer possible with larger blastfurnaces and LD vessels, as the latter require molten iron and therefore the costs of a stoppage are greater.

For these reasons trade union power in the steel industry has increased. However, have the unions used this power to exert pressure upon the employers, and thereby contributed to the latter's problems? The following table gives some indication that this has happened.

Table 2.3

Average Annual Rise in Earnings, Productivity, and Prices
in the UK steel industry and in the economy, 1955-65

	Steel Industry	UK Economy
Average Earnings	+8.1% pa	+7.8% pa
Average Productivity	+1.8% pa	+2.3% pa
Rate of Inflation	+6.3% pa	+5.5% pa

source: BISF, Labour Productivity and Manning, Appendix A

The above table shows that the annual rise in earnings and prices, and hence unit costs in steel has been faster than for the economy as a whole. This, partly reflects the poor rate of productivity in the steel industry, but it also indicated that the steel unions have been pushing hard on the earnings front. Moreover, this degree of inflationary cost push was facilitated by the industry's collective bargaining arrangements, which would seem to have encouraged inter-union competition and leap-frogging of wage claims.

In steel, multi-unionism has existed for many years with six major union bodies organising manual workers for collective bargaining purposes. They are shown in Table Four:

Table 2.4

Membership of Trade Unions Organising Manual Workers

Iron and Steel Trades Confederation	93,250
National Union of Blastfurnacemen	19,300
Transport and General Workers Union	17,500
General and Municipal Workers Union	12,800
National Craftsmens Co-ordinating Committee	22,300
Amalgamated Union of Building Trade Workers	3,000

source: Pearson, Court of Enquiry, 1968

The ISTC which organises most production workers on steel furnaces and rolling mills, plus labourers and craftsmen's helpers, is traditionally the most powerful body. The NUBF organises similar grades, but it is confined to iron making and associated activities in England and Wales. These grades are organised by ISTC in Scotland. The National Craftsmens Co-ordinating Committee(28) organises the bulk of the craftsmen in the industry, and membership compared with that of the production unions has improved in recent years due to technological change. The two general unions organise mainly labouring grades and some semi-skilled workers in certain parts of the country. The Amalgamated Union of Building Trade Workers (later UCATT) organises bricklayers, and despite being small has shown itself a powerful union in the industry, although its membership in recent years has been reduced by technological change. Another factor affecting inter-union competition and relative status has been the increasing number of white collar workers unionised in recent years. This influence will be considered further in Chapter Four.

In steel the tradition has been for these autonomous trade union bodies to separately initiate and negotiate claims on wages and conditions of employment with the employers' association. Given this autonomy the employers have experienced collective bargaining problems in achieving uniformity of conditions for similar grades of workers both in terms of the magnitude of

any settlement and in eliminating differences in wage structure. These problems are clearly identifiable in the following example of negotiations which took place over the 40 hour week and night shift premium payments during the period 1964 to 1969.

In the autumn of 1964 the ISTC submitted a claim for a 40 hour week. Having regard to the country-wide move in this direction ISTEA reached agreement with ISTC to introduce the 40 hour week on 4th July 1965. The Association then offered the 40 hour week to all other unions, who with the exception of the National Union of Blastfurnacemen, accepted. The trouble within the NUBF was that their shift production workers were aiming at extra payments for working night shifts. The situation therefore was one in which the two major production unions in the industry were pursuing divergent goals.

This created a problem for ISTEA which wished to avoid further differences in the wage structure and conditions of employment for shift production workers. The Association continued attempting to get the NUBF to accept the 40 hour week. As a result of the eventual stalemate, the NUBF took the Association to a special Board of Arbitration which in an award dated 18th February, 1965 conceded the union's case. The award gave premium payments of 20% for normal shift working between the hours of 6 pm and 6 am Monday to Friday inclusive, which amounted to a 6% increase in earnings. To be consistent with their aim, the employers asked the Confederation to drop their agreement on the 40 hour week and to substitute the night shift premiums for shift production workers. The Confederation declined this offer and in turn lodged a claim for night premiums. This was turned down. The union responded by taking the employers to arbitration which found in an award dated 16th June, 1965 the claim not established. At this point

the ISTC's attitude changed, for with little hope of getting both they accepted the Association's night premiums offer, agreeing to drop for the time being the 40 hour week for shift production workers, on the condition that it was introduced for such workers by December 1966. Therefore, the 1965 40 hour week applied to day men only and to maintenance workers. The ISTC shift production workers 40 hour week was implemented from 1st July, 1967 but at no extra cost to the industry. Eventually the NUBF also got the 40 hour week on the same self financing principle through an Industrial Court Award dated 28th August, 1969.(29) The delay was due to the union's intransigence over the employer's proposals for manpower reductions backed up by the Prices and Incomes Policy.

The above series of negotiations provided the employers with a hard lesson in union competition and leap-frogging. In other words, the existence of autonomous and fragmented collective bargaining arrangements allowed the unions to use their power to pursue divergent aims in job regulation. Moreover, the largest union had been outmanoeuvred by the much smaller NUBF in winning a 6% increase against the Confederation's 5%. This damaged the ISTC's self-image as perceived by its own officers, who then pursued the seemingly irrational objectives of gaining both the 40 hour week and shift premiums simultaneously. In terms of the union's internal political processes however, this behaviour has a rational explanation. The union officers could not admit their relative lack of success to the membership, and felt that the claim for night premiums must be pursued to a Board of Arbitration. When the claim was turned down, as the national officials expected, the fault lay with the Arbitration Board. In other words, the union used arbitration as a kind of scape-goat to shift blame. As for the Association, with its objective of uniform treatment for all shift production workers, given the above circumstances it was forced to achieve this at the additional cost of conceding the

40 hour week and shift premiums to both unions. In this way the national collective bargaining arrangements made it easier for union pressures to raise earnings and thus the industry's labour costs. This lesson was not lost on the Jones Working Party.

Another factor reflecting trade union power and determination to raise earnings has been the industry's reported strike figures. The inadequacies of these figures should however be noted. Firstly, the Department of Employment records only strikes involving more than ten workers and those which last more than one day, except any in which the aggregate number of working days exceed one hundred. Secondly, the notification of strikes is voluntary and the Department may fail to record some which otherwise would qualify by the criteria. Thirdly, strikes are only one form of worker protest which can range from go slows, overtime bans, etc., to absenteeism, labour turnover, and low morale. Therefore, strikes may be low or non-existent within an enterprise or industry, yet the degree of conflict and opposition to management may be high. Finally, although management generally decry strikes because of disruptions to production, nevertheless not all such action is necessarily negative and destructive. For example, a management conscious that their decisions may be challenged (ultimately by the strike) are likely to think and reflect more and thereby improve decision making. Also, as shown above, the absence of strikes does not mean there is no conflict and where conflict takes a more overt form, remedial action may be taken sooner. Furthermore, knowledge that a work force can exercise such power may act as a spur to improve efficiency through new labour saving investment. Notwithstanding these qualifications, strikes remain an important measure.

Given the above argument that changing market and technological circumstances were producing increasing pressure on steel employers to raise

productivity and take a tougher line on wage costs, also, given that the unions were using their power to secure improved rights and living standards for their members, then the result of these opposing forces should have been to raise the industry's strike figures. The following table shows that this was so.

Table 2.5

Reported Stoppages in the Iron and Steel Industry
and for all Industries in the UK: 5 year averages, 1959-72

Years Beginning	UK No of Strikes	UK No Working Days Lost	Iron & Steel No of Strikes	Iron & Steel No of Working Days Lost	Iron & Steel % of UK Strikes	Iron & Steel Days Lost % of UK Days Lost
1959-63	2,418	3,775,000	51.0	139,800	2.10	3.70
1960-64	2,504	3,183,000	63.6	191,800	2.53	6.02
1961-65	2,416	3,160,000	73.2	220,200	3.02	6.96
1962-66	2,266	3,031,000	76.6	185,000	3.38	6.10
1963-67	3,199	2,429,000	84.8	163,800	3.85	6.74
1964-68	2,261	3,015,000	95.6	207,000	4.22	6.86
1965-69	2,380	3,929,000	111.0	228,000	4.66	5.80
1966-70	2,690	5,540,000	140.6	280,600	5.22	5.06
1967-71	2,749	7,771,000	150.0	317,800	5.45	4.08
1968-72	2,825	11,995,000	161.4	408,400	5.71	3.40

source: Department of Employment Gazette, 1960-73(30)

The table shows that the number of reported strikes in iron and steel for the period shown rose by 3.16 times with working days lost rising 2.92 times. In absolute terms there was a significant increase in both indices which would seem to support the contention that the steel unions were pushing harder and that management were resisting more, throughout the period.

On the other hand, it might be argued that this absolute rise in steel was simply a reflection of the general rise in strike activity throughout British industry and not uniquely attributable to events in steel.(31) Certainly, Silver argues that the present prominence of the metal working sector (including engineering, vehicles, metal and shipbuilding) in total

British strikes is not the result of an alteration of relative strike proneness of these industries, but due to a drop in coal mining disputes. However, even on Silver's figures (pages 100 and 103) metal manufacturing strikes rose from 5.6% of the UK total, excluding coal mining in 1959, to 7% in 1971. The table also gives conflicting evidence (depending on the method of measurement used) on the actual number of stoppages; the rise in the UK figures was only 20%, which is much less than occurred in steel. Put another way, iron and steel strikes 1959-63 (average) constituted 2.10% of the UK total, but by 1968-72 (average) they had risen to 5.71%. The series on working days lost however shows an opposite relationship, that is, iron and steel was 3.7% of the UK total in 1959-63 (average) and 3.4% in 1969-72 (average), a fall of 9%. This fall is best explained by the changing nature of British strikes in the late 1960s and early 1970s. In those years Durcan and McCarthy(32) have shown that the typical strike became longer and involved more workers than in the middle 1960s; therefore in the table UK strikes rose by 1.16 times whereas working days lost rose by 3.1 times. Thus the large rise in the number of days lost - especially amongst public sector employees,(33) overwhelmed the rise in the steel figures. Moreover, although the frequency of steel strikes increased throughout the period, the numbers involved per strike remained small. The strike behaviour of steel workers will be examined in detail in the subsequent works level case studies. Meantime, the strike figures, in showing both an absolute rise in the number of steel strikes and an increase in steel strikes as a proportion of the UK total indicates a tougher attitude by the steel employers to labour costs and to improving labour productivity in the industry.

This chapter has now identified all the major factors making for change and it only remains to give some further indication of the industry's financial position during the period. Reference has been made above (page 17) to the deterioration in profits of which the next table gives a more detailed account.

Table 2.6

Profits before Tax as Percentage of Capital Employed
for Iron and Steel Industry, and for all UK, 1957-67

	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Iron & Steel	18.5	18.2	17.0	15.2	16.1	12.8	7.6	5.5	8.0	7.9	4.3
All UK	17.0	17.2	16.5	15.0	15.7	14.7	12.6	12.7	14.1	14.2	13.4

source: Rowley, Steel and Public Policy, page 119

The table shows that after 1961 steel industry profits declined markedly and in comparison with the rest of British industry. This position did not improve with nationalisation, for BSC showed a negligible rate of return on net assets for the year ending September 1969, 2.1% for the following six months (the basis of the financial year then altered), then a negative return for the period April 1971 to March 1972, and finally, a 3.4% return to March 1973.(34) This 3.4% figure was below the financial objective of 8% average rate of return on net assets set by the Minister in 1972. The low rate of return prior to nationalisation provided little incentive for employers to either raise new funds in the capital market (conversely funds were not easily attracted) or to invest from undistributed reserves. As a result, new capital investment slumped as Table Seven shows. After nationalisation new capital expenditure remained low up to 1970-72, during which time British Steel Corporation (BSC) was formulating its new investment strategy.

Table 2.7

Capital Expenditure in Steel Industry, at
constant (1963) Prices, 1953-69 (£m)

1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
65	68	73	88	107	114	108	158	209	174	77	54	47	38	44	48	46

source: R. Pryke, Strategy for Steel, page 30

One important qualification and contributory factor to the decline in profitability and investment was the bunching of new projects in the years

1960-1962. It was in those years that major new capital expenditure was undertaken at Llanwern in South Wales, Ravenscraig and Gartcosh in Scotland, Tinsley Park and Park Gate in Yorkshire. These projects were built ahead of demand (due partly to economic indivisibilities in steel plant) and to that extent a decline in profitability and investment was expected for some two or three years. The consequences of this investment are important for an understanding of industrial relations at Ravenscraig Works.

This picture of financial deterioration clarifies the pressures experienced by the employers to improve the industry's efficiency and competitiveness. Moreover, these factors (or pressures) continued to operate with nationalisation.

Summary and Conclusions

This chapter has sought to identify the main problems faced by the steel industry and the various factors causing these problems. The 1960's was the start of a period of substantial change which was largely taking place beyond the control of the British industry. The changes identified included advances in the technological processes of iron and steel making, mainly in overseas countries, which established new economic standards of efficiency beyond those achieved in Britain. As a result the British industry's productivity performance fell below that achieved in other countries.

Another major change took place in the world steel product market with countries such as Japan, the communist block and previously non-industrial countries making tremendous strides forward in steel output. Consequently, the rate of rise in world steel supply outstripped demand. Alongside this development was the general movement towards freer world trade as tariff barriers were relaxed. Both these developments had the effect of increasing

international competition and hardening steel prices both at home and abroad. Government intervention was another factor helping to keep prices down. As a result of these various changes the British steel industry's profits declined.

In the light of poor productivity and low financial returns a new climate of concern emerged as the issues sharpened and reflected the need to tackle the central problem of improving the industry's efficiency.

The increasing power of the unions was another factor creating a problem for the employers. Full employment and the changing technological environment favoured the unions' determination to improve their members' rights and living standards. This development was facilitated by the industry's collective bargaining arrangements, which helped push up unit labour costs, and to raise the strike incidence. Therefore, the employers had to improve the industry's efficiency and also promote its stability by reconciling trade union objectives with their strategy for change.

The next chapter will examine the development of the employers' strategy with a view to tackling and solving these two major problems.

References.

- (1) Iron and Steel Board's various reports
- (2) See various Iron and Steel Board, Special Reports
- (3) R Pryke, Strategy for Steel, page 27. Also C Pratten and RM Dean, Economics of Large Scale Production
- (4) The LD process was developed in Austria. The technique involves the injection of pure oxygen into a vessel containing molten iron. The vessel remains stationary during the oxygen blow which is injected through a lance at the top. Blowing time is short averaging between 40 and 50 minutes. The process can use up to 35% steel scrap, use of which improves efficiency.
- (5) R Pryke, op cit.
- (6) BISF, Labour Productivity in the Steel Industry, 1954, page 8
- (7) BISF, Commissioned Reports, 1961 and 1964. Also, ISB, Development Report, 1964
- (8) BISF, Labour Productivity and Manning in the Steel Industry, March 1967
- (9) ISTE, Manning, Wages Structure and Security of Employment, June 1967
- (10) BISF, op cit, page 8
- (11) ISTE, 'MEUMM' October 1966, paragraph 14
- (12) L Hunter et al, Labour Problems of Technological Change, page 125
- (13) United Nations, Economic Commission for Europe, The Steel Market, page 96
- (14) The pre-Kennedy Round, UK weighted average tariff was 14.5. This came down to 12.3 post-Kennedy. (Rowley, Table 4.7)
- (15) BISF, op cit. appendix B
- (16) Benson Report, 1966, page 66
- (17) PEP, Steel Pricing Policies, December 1964
- (18) ISB, Annual Report, 1964, page 24.
- (19) Benson Report, page 66
- (20) PIB, Report No II, Steel Prices
- (21) First Report on Nationalised Industries, Select Committee, BSC, page 93
- (22) Royal Commission Trade Unions and Employers Associations, (Donovan) page 20
- (23) A Flanders, 'What is Wrong with the System?', pages 43-44
- (24) L Hunter et al, op cit, Chapter 6

- (25) Ibid, Chapter 6
- (26) Furnace capacities vary throughout the industry and are constantly upgraded.
- (27) An integrated works includes coke ovens, sinter plant, blastfurnaces, steel furnaces, rolling mills and finishing departments. In 1966 Britain had 21 integrated and 13 non-integrated works which together produced 90% of crude steel.
- (28) The NCCC consists of a number of unions the bulk of whose membership are employed outside the industry. These include, the Amalgamated Union of Engineering Workers, the United Boilermakers Society, the Electrical Electronic Telecommunications and Plumbing Trade Union, and Union of Construction and Allied Trades and Technicians.
- (29) Industrial Court Award (3196)
- (30) Iron and steel here includes workers employed in wrought iron, steel and steel tube manufacture, pig iron, refined pig iron, engineering castings but excluding foundaries attached to main establishments and other iron castings. The standard Industrial Classification was altered for year beginning 1970, however the changes are intra-category and do not affect the total figures.
- (31) M Silver, Recent British Strike Trends, BJIR, March 1973, page 74
- (32) Durcan and McCarthy, What's Happening to Strikes? New Society, 2/11/72
- (33) These 'big strikes' included Local Authority workers, Coop Insurance, the Post Office in 1970, and the Coal Miners in 1972.
- (34) BSC, Annual Reports and Accounts, 1972-73

Chapter Three

Development of the Employer's Strategy

The previous chapter illustrated the changing environmental circumstances affecting the British industry over the last decade or so. These changes caused two major problems for the industry's management. Most significant of these was the apparent low level of labour productivity compared with the best achieved elsewhere by international producers - resulting in poor financial returns. Secondly, came the increasing militancy of the trade unions in trying to secure advances in their members' rights and living standards. Furthermore, the unions' power seemed to be based on the industry's fragmented collective bargaining arrangements. These provided the opportunity for the unions to pursue divergent aims, thus encouraging inter-union competition. The aim of this chapter will be to analyse the response of the industry's management.

This chapter consists of four parts. The first deals with the economic and technological background. Part Two traces the Iron and Steel Trades Employers' Association's first major initiative to improve labour productivity before nationalisation. Part Three is concerned with the new Steel Corporation's plan to secure centralisation in national collective bargaining leading to the establishment of the Trade Union Steel Industry Consultative Committee. Finally, Part Four analyses the development of the Corporation's main plan to improve labour efficiency, and to minimize trade union resistance.

Part One, The Economic and Technological Background

Chapter Two showed that for various reasons, namely: the sub optimum size

of works, the shift in relative costs away from domestic to foreign iron ores associated with advances in shipbuilding technology and the inland locations of many steel works, the heavy reliance upon the basic open hearth process for steel making, and possibly also the slow rate of growth of the economy, the British industry's productivity was low compared to that of certain other international producers. The Benson Working Party having established this analyses recommended a major restructuring of the industry's steel making capacity.(1) The Report proposed to expand certain integrated steel works (ie six or seven works based upon large blastfurnaces and the basic oxygen process with capacities ranging between five and eight million tons compared with Port Talbot - then Britain's largest - with just over two million tons per annum) to reap maximum economies of scale. The works considered most suitable for expansion were located in North Lincolnshire, Teesside and South Wales, (Scotland was considered separately) near to deep water ports which could be used to exploit the cheaper foreign ores. Benson estimated that these proposed developments would create a surplus of steel capacity over requirements by the mid 1970's. Therefore, the Report concluded, that many high cost works using small blastfurnaces and the open hearth process should be closed.

The BISF took little action on the Benson stage one recommendations owing to nationalisation. Benson stage two, which was to deal with company regroupings to accommodate these changes was never completed. Nevertheless the Benson Report provided a signpost to the future shape of the industry, and the new Steel Corporation used this to develop its own plans.

With nationalisation, the BSC responded to the basic need to improve productivity. There were two main options open to the Corporation: one, to construct two new large works on greenfield sites; or alternatively, as

advocated by Benson, expand and modernise certain existing but strategically placed works. The Corporation decided on the latter option. As a result, and after some delay, capital expenditure was concentrated in five major works. These were Port Talbot, and Llanwern in South Wales, Scunthorpe in Lincolnshire Lackenby on the North East Coast, and Ravenscraig in Scotland. All these works were to use large blastfurnaces and the basic oxygen steel making process. As a consequence, the BSC's capital expenditure was to rise as the next table shows.

Table 3.1

BSC, Capital Expenditure Annually 1968-73, at 1972 Prices (£m)

1968	1969	1970	1971	1972	1973
91	88	131	212	218	230

source: BSC, Ten Year Strategy, HMSO Cmd 5226

What this plan meant for the future shape of the industry is revealed in the quotation from Richard Pryke.

'In all these five works... will account for about sixty percent of BSC's capacity. In 1965 the five largest works possessed only about a third of the capacity owned by the companies which were subsequently acquired by the State.' R Pryke, op cit, page 33

The investment at Redcar on Tees was to be the largest, with new units of plant being phased in while production continued to make use of the existing facilities at Lackenby Works. In addition to the five major bulk steel making units, Sheffield was to continue development as a producer of special stainless and alloy steels. The new investment amounted to £3,000 million at 1972 prices over ten years(2) On the other side of the strategy, many existing works were to lose their iron and open hearth steel making facilities, although at some works, finishing plant would remain in use into the foreseeable future. For example, in Scotland, Clyde Iron, Clydebridge, Lanarkshire, Dalzell and Gleggarnock Works were all to suffer closures. Other regions in England and Wales were to undergo a similar experience.

However, due to its long term nature, the ten year strategy although approved by the Conservative Government, was likely to be subjected to the changing needs of the steel consuming industries and the employment situation in the various regions. Furthermore, a significant constraint would be changes in Government policy itself. Hence the 1974 Labour Administration quickly subjected the plan to review and delayed certain works closures. Yet another aspect of the plan, which has been the subject of political controversy, was the total future capacity envisaged. The plan aimed to take liquid steel capacity from 27 to between 36 and 38 million tonnes by 1982-83. This figure has been challenged as too low by the Technical, Administrative, and Supervisory Section of the Amalgamated Union of Engineering Workers, (3) and by others as too high. (4)

The above is an outline of the origin and main economic and technological changes taking place in the industry, and provides the background to understanding management's responses to problems encountered in the industrial relations area.

Part Two, The More Effective Use of Maintenance Manpower

ISTEA undertook the first major initiative aimed at improving the labour productivity of maintenance workers. On 9th February 1966, the Association set up a working party under the chairmanship of H Morley of the United Steel Companies Ltd. The working party examined evidence from companies both within and outside the industry, from consultants, and studied certain publications on productivity bargaining. It concluded that the efficiency of maintenance workers could be doubled. (5) It attributed poor performance to extensive overmanning, bad manpower organisation and to the use of restrictive job practices. Moreover, these problems were likely to increase with improvements

in technology. A further problem was the rate of labour turnover which at 20% was considered high for the industry, and a costly drain on maintenance labour supply. An improvement in labour productivity therefore would also help ease the labour supply problem. The working party finally recommended two alternative methods of tackling these problems. Their methods were as follows:

Firstly, 'The promotion of the more effective use of maintenance manpower in order to rationalise and reduce manning by:

- (a) Minimizing demarcations and restrictive practices within and between groups of maintenance workers. Efficiency could undoubtedly be improved by agreed overlapping at all levels. The criterion to be used would be the ability of the man to do the job effectively, training having been given where necessary.
- (b) Improving the system and organisation for carrying out engineering maintenance in order to improve the tempo of work. Engineering managements would need to be fully capable of taking advantage of the new situation and the resultant manpower savings which would accrue.
- (c) Consideration could then be given to incentive payments based upon work measurement'.

Secondly, 'The introduction of incentive payments as soon as possible.

Companies who favour this accept that the maintenance organisation must be capable of sustaining an incentive system and that demarcations must not be built into standards'.

In short, the emphasis in these two approaches to improving manpower productivity were different. The first focussed upon the need for Fawley type productivity bargaining to increase efficiency,(6) after which financial incentives and work measurement could be introduced. The latter was much more concerned with the immediate introduction of incentives and work measurement.

This reflected differences of interest and strategy within the working party. The United Steel Companies was a powerful advocate of the latter approach. This company were ready for such a development and, had in fact, been holding preliminary discussions with the local Allied Craftsmen's Committee in Sheffield. Moreover, United Steel argued that a two stage approach gave the unions two opportunities to negotiate, and that this ought to be avoided. Nevertheless, the overwhelming majority of companies took the first view, arguing that it was necessary to raise first the efficiency threshold from its rather low base. This disagreement was not resolved by the working party which recommended a dual approach subject to certain constraints as the next quotation shows:(7)

'In practice the divergent roads towards the ultimate goal make it necessary for the working party to recommend certain rules, observance of which will have the effect of keeping the courses of action as consistent with each other as possible'.

The recommended rules were largely concerned with setting up an industry-wide control mechanism. On this point the working party suggested that the Association approach the NCCC with a view to securing a national informal understanding, and an attitude of acceptance towards local works productivity negotiations. Also, the Association should create a Review Body to assess and approve company schemes before they were submitted to the local unions. Furthermore, such schemes should be the subject of a stipulated maximum payment per worker. In this way, local bargaining would be the subject of central control, thereby helping to curb possible wage leap-frogging between the different companies. It followed that the Review Body required sufficient authority to perform this responsible task.

The working party reported to the Association on 8th November, 1966 and

its recommendations were approved. The Association decided to establish the Review Body and to give it the authority of the Maintenance and Service Standing Committee (within ISTEA the Standing Committee was divided into four sub-committees, of which maintenance was one). In effect, the Review Body was, de facto, the Maintenance Standing Committee called by another name. Its remit was to examine each company scheme, and with the authority of the Standing Committee to accept, modify, or reject them.

Another major decision of the Association was to invite the NCCC to a joint conference. This conference, to be held outside the normal negotiating machinery, was to have a consultative character. This was a major departure from traditional policy. Traditionally, ISTEA gave the unions little information, and simply reacted to union claims in an ad hoc and defensive manner. However, this new initiative invited the unions to discuss jointly the industry's problems. In addition to national union officials, district officials were also invited to the conference which subsequently took place at Eastbourne in January, 1967.

Why then did the Association change its policy and adopt a productivity bargaining strategy? Here several possible explanations are credible.

One possible explanation relates to the appointment of a new Association director around 1964. This man, from outside the industry, seems to have taken a more "democratic" view of ISTEA's relationships with the trade unions. Was the new strategy the result of his more participative management style?

A second factor was the Prices and Incomes Policy. The 1965 White Paper(8) allowed for wage rises above the norm to employees accepting more exacting work, or for a change in working practice leading to an increase in productivity.

This, associated with the Pay Standstill of July, 1966 could have helped alter the climate and thereby reinforce the hand of those within the Association who wanted a new departure in policy. If this was the case, then the statement that 'incomes restraint is a significant factor in inducing reform' would have validity.(9)

A third influence upon the change of policy could have been the proposed nationalisation of the industry. The Labour Government published in April, 1965 a White Paper on steel nationalisation (10) which it followed up with a nationalisation Bill introduced to the House of Commons on 30th June, 1966. This Bill received its second reading on 25th July. Further, to facilitate preparation for nationalisation, the Minister of Power appointed an Organising Committee under the Chairmanship of Lord Melchett in September, 1966. This Committee, representing the Corporation, was quickly engaged in consultations with the various steel unions, due to the likely statutory obligation (contained in the Bill) to consult with representatives of the employees.(11) As a consequence of this changing climate, it is possible that the Association in November, 1966 took cognizance of the Bill and adopted the more participatory productivity bargaining approach.

Each of these three reasons may have had some influence upon the Association's decision to select a productivity bargaining strategy, but their influence was limited. To suggest that Prices and Incomes Policy was the most important factor would be to place too much weight upon the voluntary policy which existed prior to the wage freeze of July, 1966. The impact of nationalisation is unlikely to have been very important prior to the Bill's second reading and the setting up of the Organising Committee in September, 1966. Moreover, the debate within the Association which led to Morley was taking place in 1965. As for the new director, his influence is more difficult to assess, but it is hard to believe that it was more than a facilitating factor.

The most important explanation was the pressure building up throughout the 1960s for management to improve manpower utilisation. On the one hand, the pressure to improve efficiency arose from changes in the product market and from foreign technological innovation in steel production which reduced the British industry's profits. On the other hand, productivity bargaining as an instrument for buying out manpower inefficiencies had a powerful influence at this time upon management thought.(12) Given the interaction between the external factors and management thought, a productivity bargaining strategy was the most rational response. The technique was applied first in the maintenance area since this had been recognised as overmanned as far back as 1954.(13) However, its selection was still dependent upon two further considerations. Firstly, it depended on the inter-play of the various company interests within the Association since any victory by the United Steel Companies would have confined the strategy more narrowly to work measurement and financial incentive techniques. Secondly, it depended on management's anticipation of what the employees and their trade unions would and could accept. The high density of union organisation in the industry required change to be implemented by persuasion, argument, and the offering of substantial benefits which in turn must pay for themselves. Finally, the Association's policy shift was due to the selection of productivity bargaining as the most appropriate strategy. For compared with traditional collective bargaining productivity bargaining requires a problem-solving consultative approach.

Part Three, The Trade Union Steel Industry Consultative Committee

The Iron and Steel Act 1967, schedule four, section thirty nine, places upon the Corporation a statutory obligation to satisfy itself that appropriate machinery exists for consultation and negotiation with organisations representing its employees. The Organising Committee took the view, for reasons given below,

that the existing consultative and negotiating machinery was not appropriate for a single employer to settle conditions of employment or for promoting efficiency. The Corporation decided to establish new machinery to facilitate the implementation of their economic strategy, and to secure as much industrial relations stability as possible. These objectives were to be achieved by getting the autonomous trade union bodies to co-ordinate their relationships. In May, 1967 the Organising Committee issued the following statement of principles on relationships with the trade unions:

'In particular the Corporation believes that much could be gained if the trade unions took action so that:

- (a) Comprehensive collective agreements could be negotiated, dealing with wages and working conditions, consultation, grievance and dispute procedures and questions concerning recognition of employee representatives.
- (b) There was closest co-operation between unions including co-operation on questions of union membership leading to a more unified system of representation.'

The intention of the Corporation to promote inter-union co-ordination regarding collective bargaining was made more explicit in a letter dated 21st September, 1967 to the Assistant General Secretary of the Trade Union Congress, which noted that the:

'Prime aim of the negotiating structure will be to provide machinery for the settlement of specific issues which are common to several or all groups of employees by simultaneous multi-union negotiations.'

This urgency to reform the consultative and collective bargaining arrangements was related to a number of problems which the Corporation was likely to be faced with the speed-up in the pace of technological change. One such problem

that the industry had some previous experience of was the job demarcation issue. During the 1960s several disputes of this type had taken place between the AUBTW and the Confederation.(14) These disputes arose over replacement of the traditionally brick built open hearth furnace by the basic oxygen LD vessel which had a dolomite or manganese block lining. The latter material required much less building skill, but was claimed by both the skilled bricklayers and the less skilled members of ISTC.

A second major problem was the possibility of increasing numbers of jurisdictional disputes. These disputes were more likely with nationalisation, and with the rationalisation programme. Before nationalisation the private companies put certain impediments in the way of white collar employees joining trade unions. As a consequence the proportion of white collar employees in unions was low.(15) However, nationalisation was expected to change this. With the rationalisation programme, new investment would create new jobs which would lead to disputes as each union attempted to gain recognition rights.

A third problem concerned inter-union competition over wages and conditions of employment, and the associated wasteful duplication of effort in negotiations.(16) The existing collective bargaining arrangements were likely to be put under severe strain as the rationalisation programme developed. An illustration of this problem was given in the previous chapter with the NUBF and ISTC pursuing night shift premiums and the 40 hour week respectively.

Thus, for all these reasons, the new Corporation evolved their strategy aimed at reforming the industry's consultative and collective bargaining arrangements. However, evolving such a strategy is one thing, gaining its acceptance by the trade unions is another. Of course, the difficulty in achieving trade union co-ordination at national level was not helped by the

recent history of inter-union antagonism. Another example illustrates this point.

In 1956 the National Joint Trades Union Craftsmen's Iron and Steel Committee (later the NCCC) lodged a claim with the ISTEA. In reply, the Association offered an increase of ten shillings per normal week to the craft unions. This sum had previously been agreed with the production unions. The craft unions refused the offer. They insisted that the claim was for a wage advance which reflected the increasing skills and responsibilities of their members, and which would raise their position in the industry's wage league relative to that of the production worker. This claim was a challenge to the established relationships in the industry, since the employers' association traditionally gave greatest attention in national negotiations to ISTC. The Court of Enquiry recorded the craftsmen's case by stating:

'Hitherto, it was alleged the employers had been able to impose an inflexible relationship between wage rates in the industry so that all major questions were determined in the negotiating machinery on which craftsmen have no representation' Court of Enquiry, Qmd 9843, page 13

The negotiations were protracted, and the craft unions imposed an embargo on all forms of overtime working on 26th April, 1956. This action had serious effects upon production. In response, several companies used 'emergency teams' of men including members of the production unions to do the craftsmen's work. This decision caused a sense of outrage amongst craftsmen, particularly in Cardiff, where production workers were regarded as blacklegs. In response, the craft unions boycotted plant worked on by the 'emergency teams', and in Yorkshire, Scotland and Cardiff went on strike. In the trade union world the term blackleg is reserved for those whose behaviour runs counter to their

ideology, that is for behaviour considered immoral. Further evidence of the bitter attitudes and relationships which ensued (this time from the Confederation's viewpoint) can be observed from the union's statement to the Court of Enquiry.(17) Harry Douglas, the General Secretary, said:

'Never in the history of negotiation have we known any trade union negotiator discredit the accepted skill and ability of the members of another union in this manner. Such an attack on the status of fellow trade unionists is a complete abrogation of accepted trade union principles and has deeply shocked my members'.

The strength and anger of the Confederation's defensive reaction can be understood in two ways. Firstly, the gradual change in technology was reducing the number of direct production workers, but increasing the proportion of maintenance workers in the labour force.(18) Also, the new technology was more sophisticated and thereby increased the skills demanded of the craftsmen. As a result, the established power balance between the two groups was disturbed causing the craft unions to demand higher earnings and status. Secondly, the example points to differences in ideology between craft and production unions. Ideological differences are related to many factors which constitute a study in themselves. Nevertheless, two important factors are worth mentioning, namely, the nature of the industry's technology, and the occupational status of the men manning it. The industry has many units of plant (eg coke ovens and blast-furnaces) which must run continuously to retain heat. A strike therefore endangers the life of these units, and if they go out months of rebuilding is required during which the production operatives will have no jobs. In addition, the production worker's skill, status and wage are specific to the industry, and this heightens concern for the consequences of strike action. On the other hand, craftsmen possess universal skills, emphasize craft solidarity, and have

less economic and emotional commitment to the industry's success. Such differences in interest generate separate beliefs and result in conflict at the ideological level, with production and craft workers thinking each others' behaviour irresponsible. Again the essence of the analysis is caught in the following statement made by the Confederation to the Court of Enquiry.(19)

'We have not only a great pride in our skills in the iron and steel industry, we also have a high sense of responsibility. You see, Gentlemen, if the iron and steel industry sinks, my members go down with it. The craftsmen can move from one industry to another easily, into jobs specially reserved for them. There are many illustrations of this at the present time. This is not the case with our members; great though their skills are in making iron and steel, it is not a transferable skill. For us to receive the reward of our training, the iron and steel industry must prosper. We cannot afford a Cavalier attitude towards our industry in the same way as those whose interests are not irrevocably bound up to it'

This last sentence, as will be shown below, provides a most revealing insight into the Confederation's behaviour in perceiving and reacting to the Corporation's plan to establish a National Joint Negotiating Council on issues common to all unions. Nevertheless, although the inter-union position was difficult, several factors were operating to facilitate the achievement of greater co-ordination between the unions.

Nationalisation created a new climate and provided the opportunity to rationalise industrial relations. In creating a single enterprise there was a consequent increase in power, authority and control at the centre. This provided the organisational rationality (which was not available to the Association) to achieve a uniform strategy and provided the drive necessary

to make the attainment of the strategy a realistic goal. A single unified company was probably the most important influence on the selection of a strategy aimed at reforming the national collective bargaining arrangements as well as improving labour productivity by implementing the rationalisation programme. This establishment of industrial relations reform as an integral part of the overall strategy of adjustment to changing circumstances was not peculiar to the Steel Corporation; it has been a factor in the strategy of other nationalised industries. To quote JDM Bell, (20) Industrial Relations Advisor to the Electricity Council:

'Company agreements are negotiated on the side of the Boards, under the influence of people who represent an integrated management, are aware of the wider needs and business objectives of a single management organisation, and are aware, too, of what kind of provisions in an agreement are likely to help rather than hinder local management to do its job. In short, there is the possibility, which only the company bargaining situation can give, of developing constructive and creative agreements which seek not only to resolve industrial relations problems or conflicts, but to assist positively in enabling the nationalised industry concerned successfully to adapt to change and to promote efficiency in its operations'

Secondly, all the steel unions were committed to nationalisation, and the need to improve the industry's efficiency. (21) The craftsmen outlined their views on the future organisation of the industry in a document entitled 'Proposals for Nationalisation'. (22) They were the only union body to produce a document of this kind. The booklet formed the basis of their discussions with the Corporation, and shows the craft unions' acceptance of a thorough reorganisation of the industry to reduce costs per tonne of steel. However,

all the unions insisted that any rationalisation programme must be concerned with the social consequences.

Notwithstanding the unions' commitment to nationalisation, this was not strong enough to overcome their rivalry - as seems to have happened in the coal mining industry. On nationalisation the National Union of Mineworkers was able to make arrangements with the various craft unions (ie, the AEU, ETU and AUBTW) and the general unions (ie, TGWU and GMWU) which in effect gave the former negotiating rights for members of their various unions who would henceforth hold dual membership. According to GB Baldwin(23), 'In these cases the unions themselves have saved the Coal Board the possible embarrassment of having to choose between them'. Interestingly, the coal mining industry provides an illustration of a change in trade union organisation facilitating a reform in the collective bargaining arrangements. However, the craft unions in coal mining were much less powerful than in steel.

A third factor helping the Corporation's strategy was the introduction of new personalities at the top from outside the industry. The most important were Lord Melchett, and also Ron Smith who became Board Member for Personnel and Social Policy. Smith was responsible for the idea of reforming the consultative and collective bargaining machinery. As General Secretary of the Union of Post Office Workers he was a member of the General Council of the TUC since 1957. He therefore had knowledge of the poor inter-union relations in steel. Further, as General Secretary of the Post Office Workers, his first hand experience of the strains and effects of inter-union rivalry must have been helpful. For example, bitter rivalry existed between the Post Office Workers and the Telecommunications Staff Association for some 40 years.(24) Also, the Post Office Engineering Union had had experience of a breakaway union with its

disruptive influence upon union co-ordination within the Whitley Council system.(25) In addition, Mr Smith as a Board Member of the British Overseas Aircraft Corporation (1964/67) had gained first hand experience of the aircraft industry's Joint Industrial Council. The new men were untainted by the policies of the Employers' Association, and therefore, were more acceptable to the unions as agents of change.

The preceding factors influenced the selection of the Corporation's strategy to secure reform of the national consultative and collective bargaining machinery. The analysis now deals in much greater detail with the attainment of the strategy's objectives and falls into three parts. The first deals with the origin and functions of the Trade Union Steel Industry Consultative Committee (or Steel Committee). The second gives consideration to the Corporation's aspirations to establish a National Joint Industrial Council (NJIC) and why this proved not possible. The third explains the change in the Steel Committee's function from a loose consultative to a joint negotiating body.

Initially, the Organising Committee invited the steel unions to meet together with them, to discuss the Corporation's future industrial relations strategy. The invitation was refused due to the inter-union antagonism described above. This caused the Organising Committee to meet the unions separately. About this time the idea emerged of asking the Trades Union Congress, the only unifying body available, to organise and co-ordinate the steel unions' discussions with the Corporation. Each individual union gave the Corporation permission to try this. Consequently, on 10th March, 1967 Lord Melchett wrote to the TUC making the formal request that the Corporation be allowed to deal with the appropriate Committee of the TUC.

In response, the TUC set up a sub-committee of its Economic Committee consisting of members from the steel industry. Since the 1962 Congress, the General Council had been involved in a debate and examination of trade union structure. This debate had rejected the notion of industrial unionism in favour of possible amalgamation amongst particular groups of unions. In fact, the General Council had made a specific recommendation that the ISTC and the NUBF should amalgamate though nothing had come of discussions between the unions.(26) Nevertheless, the climate was right for a further attempt at increasing the degree of union co-ordination, and the TUC reacted favourably to the Corporation's request.

An exploratory meeting between the Organising Committee and the General Council committee was held on 25th April.(27) At this meeting Lord Melchett referred to the Corporation's statutory obligation to consult the unions, and stressed that this could be best met through the TUC. Subsequently, the General Council decided to set up a more broadly based committee consisting of representatives of the General Council and the steel unions. Sir Harry Douglas, President of the TUC and, by now, ex-General Secretary of ISTC was elected chairman of the committee.(28) The appointment was not helpful for the achievement of the Corporation's objectives for at least two reasons. Firstly, Sir H Douglas and the Convener of the NCCC had crossed swords in the bitter 1956 dispute, and seemingly their personal relationships never improved. Secondly, he no longer spoke with authority for the largest union. In other words, the new General Secretary, Dai Davis, was the most powerful person on the committee but not in a position of formal leadership. This situation delayed events, although it did not alter them significantly, and was resolved with the retirement of Sir Harry Douglas at the 1967 Congress.

Throughout 1967, the parties consulted on a number of items including the

Corporation's proposed organisation structure, employee representation on Group Boards, trade union membership and recognition, and reform of the consultative and negotiating machinery. On all these issues the steel unions took different views from the BSC, but the one issue of immediate importance to them was white collar recognition. This revealed itself at a meeting on 30th June, 1967 when the Steel Committee informed the Corporation that white collar recognition should be confined to unions in membership of the Steel Committee.(29) Initially, the Corporation rejected the Steel Committee's claim. However, on 10th July, the Corporation seemingly changed its mind, agreeing to recognise the Steel Committee unions, and deciding also that the other unions seeking recognition should be referred to the TUC. The agreement was subject to the qualification that where other unions had local recognition these rights would be maintained. This agreement sparked off, as it turned out, a long and bitter inter-union struggle which was to have an important effect upon the Steel Committee.

Therefore, in both origin and function the Steel Committee was no more than a loose consultative body prodded along by the TUC Secretariat which serviced it. Also, at this time the Committee's minutes were sent to the General Council signifying its lack of autonomy.

The second point concerned the Corporation's aspirations to establish a National Joint Industrial Council as an alternative means of promoting inter-union co-ordination. The Organising Committee would have preferred a National Joint Council, but the constraint of inter-union rivalry made such a strategy a non-starter. However, in order to understand why the NJC was not possible, some further analysis of inter-union relationships is required.

Some unions including the craft body and the GMWU favoured the idea. The

NCCC advocated it in the document 'Proposals for Nationalisation'(30) referred to above. It said the following:

'The functions of a National Joint Council should include the determination of such conditions as can be commonly applied, viz hours of work, shift work, holidays, sick pay, pensions etc. Within the Council there should be three Standing Committees with plenary powers to determine wage and salary issues,

- (a) technicians, maintenance and ancillary workers,
- (b) process workers, and
- (c) supervisory grades up to and including manager level!

The document also proposed Area and Works Joint Councils.

The problem however was the intransigence of the ISTC. At the 1970 national conference of the EETPU the national officer for steel made the following statement:(31)

'We tried to get a National Joint Council at which we would negotiate.... Unfortunately other unions - and when I say "other unions" I do not mean craft unions, I mean production unions - were not prepared to come into the National Joint Council'

Why was the Confederation so resistant? Here several possible explanations seem credible. One reason was the aim of the Confederation to establish itself as an industrial union.(32) This aspiration was incompatible with the idea of an NJC which by definition preserved the identity of other unions in the industry. However, this objective was more a fact of history - at least in the manual worker area, where the Confederation had long accepted the existence of other unions. In fact, the union had concluded several bilateral agreements on jurisdictional rights with other unions.

A second reason for ISTC resistance was its ideology which was greatly influenced by its size, status and responsibility for the industry's industrial relations. It was the union leadership's proud boast that industrial relations in steel were good, that the union's attitude to the employers was one of cooperation rather than confrontation, and that they (up until 1973) had not called an official strike since 1926.(33) Therefore, the union was concerned to protect its reputation, and wanted to move cautiously on any proposals aimed at sharing decisions with other unions, especially as the Confederation regarded those unions with the bulk of their membership outside the industry as less committed to its success. The Confederation would carry major responsibility for the decisions of the NJC which as one of many unions it would not have been totally responsible for making. Moreover, this attitude of ISTC, which was personified in Sir Harry Douglas's statement to the Court of Enquiry,(34) was partly shared by the new general Secretary. Although Dai Davis was more prepared than others to accept some form of multi-union working, nevertheless he was constrained by the ideology of his union and the complexity of the issues surrounding such a development. This fear of sharing sovereignty (given the history of the union) created for the union a major dilemma, and it required time to adjust.

A third explanation portrays the Confederation as less concerned with the industry's welfare and more with its own status, and the associated privileges. This was at the heart of the 1956 struggle when the craftsmen attempted to improve their status in the industry's wage-league relative to that of production workers. During the struggle the craft unions challenged the industry's established relationship whereby the employers settled with the Confederation and then attempted to apply the agreement to the other unions. Thus the craftsmen's NJIC proposal was a logical remedy to their problem, and nationalisation provided the opportunity to present it. In other words,

the craft and other unions could only benefit from the proposal, whereas the ISTC could only lose. A further illustration of this was the position of the TGWU. This union was not recognised nationally by the ISTEA, but had local recognition in various parts of the country. In the manual workers area, this did not present a problem as the jurisdictional spheres of influence were settled between the unions. However, with white collar workers the position was different with low density union membership prior to nationalisation. Hence the TGWU was anxious to gain national recognition to secure recruitment rights. On the other hand, the Confederation wished to protect its claim to recruit nearly all white collar workers for itself. For these reasons the ISTC resisted any proposals to establish a National Joint Council.

Early in 1968 the Corporation was sensitive to this situation. In the light of this it decided that any proposal to set up a NJC, or even to establish a new recognition and procedure agreement covering all six unions, would be to move too fast too soon. Therefore, the only viable alternative for the time being was a loose consultative body through the TUC.

Given these attitudes, how did the Steel Committee change from a loose consultative body to the much more cohesive consultative/negotiation body of the early 1970s.? The following quotes from the Steel Committee to the Select Committee on Nationalised Industries is evidence that this change occurred: (35)

'The primary, though not only, function of the trade unions is to protect and advance the interests of their members by negotiating with the employer improvements in their wages and conditions of employment; the details of which are embodied in collective agreements. The Steel Committee are no exception to this rule and by far the greater amount of their time has been spent in negotiations of this kind. On every issue of national importance except one, the Committee

now negotiate as a whole; only on wages and salaries does each constituent organisation continue to negotiate separately. Thus recognition, holiday pay, employment and income security, sick pay and pensions are all negotiated at national level between the Steel Committee and the Corporation'

Also, Dai Davis, in reply to a question from a member of the Select Committee aimed at discovering the degree of unity within the Steel Committee, said: (36)

. 'We speak as a Committee representing unions operating in the steel industry but this does not take away the autonomy of each union. We seek to make our decisions on a collective basis'

In addition, under the Heath Government's Counter Inflation Policy, Phase Three, the Steel Committee went further and negotiated a threshold agreement on behalf of its constituent unions. Thus, for the first time, the Committee had got itself directly involved in wage negotiations.(37) Such a change, given the background against which it commenced, must be considered remarkable.

The tactics adopted by the Corporation were an important factor influencing the development of the Committee's negotiating role. One Corporation tactic was to keep the steel unions together, by using where possible the TUC Secretariat as a unifying influence. This was achieved by making the Secretariat the centre of a network of formal and informal communications between the Corporation and the Steel Committee. The Corporation through the Secretariat fed in ideas and information, and also obtained early warning of Committee discussions in order to influence these prior to a decision. Another tactic the Corporation used to maintain interest in the Steel Committee was to push at it issues of common concern to all the unions. This tactic was greatly

helped by the Corporation's rationalisation programme. As a consequence the unions became increasingly concerned with works closures. For example, in a letter dated 5th April, 1968 the TUC Assistant General Secretary informed the Corporation that the Steel Committee unions were seeking much more detailed information of the Corporation's immediate proposals. Subsequent meetings discussed proposed closures at Irlam, Park Gate and at other works. One outcome of the discussions was the establishment of an "early warning" procedure on closures. Thus, the unions came to see the need for a forum to discuss this problem on a joint basis.

The unity of the Steel Committee was also encouraged by the union recognition issue. As stated previously, on 10th July, 1969 the six Steel Committee unions and the Corporation agreed union recognition rights for manual and white collar employees. Later confusion arose over middle management grades which the unions believed to be included in the agreement, whereas the Corporation claimed they were excluded. The Corporation argued that this largely non-unionised group should have the opportunity to choose the union they preferred to represent their interests. At this time, the newly formed Steel Industry Management Association was claiming recognition on their behalf.(38) The Steel Committee resolutely opposed SIMA's right to do so. The Corporation tried unsuccessfully to win the Steel Committee's acceptance of SIMA. Finally, on 27th February, 1969 the Corporation issued a statement granting SIMA recognition for middle management grades. This was a severe blow to the Steel Committee, but particularly for the Confederation which stood to lose much under the rationalisation programme, and sought a compensating benefit from recruitment in this area. Moreover, the Committee's resentment of the Corporation was heightened further by the alleged activities of the latter. The six unions claimed, with some evidence, that the Corporation was actively encouraging employees to join SIMA throughout 1967-68.

However, the recognition dispute which caused most bitterness was the struggle between the Steel Committee unions and the Association of Scientific Technical and Managerial Staffs and the Association of Professional Executive Clerical and Computer Staff. Before nationalisation both ASTMS and APEX claimed some scattered membership and local recognition in the industry, and during 1966-67 were actively recruiting and expanding their membership. After the 10th July agreement, the 'Two' (as they came to be known) made representations to the TUC, and subsequent discussions took place between the TUC's Organisation Committee, the Steel Committee and the 'Two' unions. The outcome was a General Council recommendation confirming the 10th July agreement. In response, ASTMS and APEX took strike action both in the industry and also in sections of the engineering industry. As a result, the Secretary of State set up a Court of Enquiry in July, 1968 under Lord Pearson. The Court concluded that the agreement of 10th July was unfair, and recommended that the 'Two' be granted national recognition. The Corporation felt obliged to make some accommodation to the Court's decision, and met the Steel Committee late in 1968 to find a compromise. However, the latter refused to concede anything to ASTMS and APEX. In December 1968 the Corporation issued a unilateral statement granting some further local recognition to the 'Two'. At this, the Steel Committee decided that constituent union members would take orders only from supervisors who were members of Steel Committee unions, and handle work approved only by members of nationally recognised unions. Again the industry was threatened with disruption, and the Secretary of State asked the TUC to intervene. The General Council then recommended that national recognition be confined to the Steel Committee unions, and that ASTMS and APEX recognition be limited to what they had secured by 10th July, 1967. On the 27th February, 1969 the Corporation issued a revised policy statement largely confirming the TUC recommendation, but including a further slight accommodation to the 'Two'. This gave local recognition in those establishments where they already had in membership on 1st February, 1969 a

majority of the staff concerned, and where none of the Steel Committee unions were recognised locally for that grade.

The hostility generated by the recognition dispute was an important factor in the development of Steel Committee cohesion. To use a political analogy, the steel unions perceived the 'Two' unions and to some extent SIMA and the Corporation as enemies encroaching upon or attempting to annex some of their territory. Their reaction closely resembled the often noted situation where divisions within a country become unimportant with the emergence of an external threat. This conclusion is captured in the following statement made at the 1969 Trades Union Congress by Mr RA Grantham, General Secretary of APEX.(39)

'Over the years there has been an unhappy history of inter-union relationships within the steel industry. With the prospect of nationalisation in 1967 the TUC established a Steel Committee to help overcome the problems. Unfortunately, only the main manual unions were represented. It is a fact of history that any alliance that is formed on an exclusive basis cements its cooperation by turning against others. The Steel Committee unions ended their old feuds by deciding to divide the white collar workers in the industry among themselves'

Another insight into the growing cohesion of the Steel Committee to arise out of the recognition dispute shows the diminishing influence of the TUC General Council in Steel Committee affairs. This came to a head when the 'Two' unions challenged what seemed to them the privileged position occupied by the Steel Committee within the TUC. The six unions responded by claiming the authority to make autonomous decisions under the auspices of the Steel Committee. Hence the Steel Committee said,(40) 'if the General Council decide to overrule the Committee on this issue (recognition), the Committee would have to consider reconstituting themselves as a separate body'. The Committee's weakening relationship with the General Council was reflected in its decision to cease

sending its minutes to the General Council.

The Committee's negotiating function was further assisted by the Corporation's productivity programme. This programme will be dealt with in some detail below as the third main strategic initiative undertaken by management. Meantime, the Corporation presented the programme to the Steel Committee rather than to the individual trade unions in order to obtain its involvement. This decision was the result of several informal meetings held with union leaders early in 1968. To reinforce the decision the productivity programme made the following point. 'It is hoped that the conference (where the programme was presented to the Steel Committee) may be able to discuss and settle procedures for carrying the proposals through the various stages'. In other words, due to the difficulties described above, it was not possible at this stage to achieve a new formal recognition and procedure agreement for manual grades covering all the trade unions; therefore, the Corporation's aim was to try to make the Steel Committee the de facto head of the national consultative and collective bargaining machinery.

In addition, the programme itself contained features which were likely to encourage trade union cooperation. These included certain items such as holidays, pensions and sickness benefits which logically were more easily negotiated from a trade union point of view on a joint basis. Secondly, the productivity programme was a long term plan phasing in improvements over three years. This provided the opportunity for sustained contact between the steel unions and for cooperative attitudes to develop. Finally, although the Steel Committee initially drew a distinction between consultation and negotiation, this in practice turned out to be difficult to sustain.

With regard to the ISTC, the union in many respects led the Steel Committee

fight on recognition. It devoted much time and energy to the issue as can be seen from the space taken up by this problem at union executive meetings(41) and in the union's journal, "Man and Metal". All these events (that is, the recognition dispute, the rationalisation programme, and the tactics used by the Corporation) played a significant part in ISTC's adjustment to the idea of sharing sovereignty. In addition, the Confederation stood to gain most by enlisting the support of the other trade unions during the recognition dispute. Finally, the retirement of Sir Harry Douglas and the appointment of a new General Secretary with views more accommodative to the craftsmen helped the adjustment in this direction.

Part Four, The National Productivity Programme

This programme was the most important industrial relations initiative undertaken by management in response to the industry's changing circumstances. It aimed at covering all manual workers employed under the heavy steel agreements made between the unions and the ISTE; (42) such agreements covered some 134,000 employees. Also, the document was the most comprehensive in terms of the range of issues covered.

The origins of the productivity programme are to be found in the Jones Working Party set up on 4th November, 1965. Initially, the working party was set up in response to a specific claim by the ISTC for an annual guaranteed wage. This claim reflected a general climate of opinion which, at the time, aimed at improving income and employment security for all industrial grades. While dealing with this specific claim, the working party went further and recommended that the Association undertake an extensive study of its future industrial relations policy. It said: (43)

'The working party unanimously came to the conclusion that the defensive strategy hitherto adopted should, at this point in time, be replaced by a positive policy designed to achieve simplification of wages structure, flexibility of working, reduction in the multiplicity of wage rates, reduction in manning and other measures designed to achieve optimum utilisation of labour in return for which workers should receive security of employment and predetermined monetary compensation for working on a system of work most appropriate to the order book as may be determined by management from time to time'

The working party received authority to continue, and in their investigation took cognizance of previous reports by the Benson, the Morris and the Morley Working Parties. In June, 1967 it published a report entitled 'Manning, Wages Structure and Security of Employment' for management consumption only. The Report dealt in detail with the aims of such a programme and the means of achieving them. The basic principle was that the costs incurred in reforming the wage structure and in improving security of employment should be met from savings in labour costs.(44)

With nationalisation the Personnel and Social Policy Department was established under Ron Smith as Board Member in charge. The department's objective was: 'to ensure the efficient and socially responsible utilisation of human resources'.(45) Immediately the personnel department was actively engaged in the formulation of a new long term strategy. This involved internal discussions with the personnel directors at group level, and also within the Personnel Advisory Committee which contained many of the old company industrial relations managers. Also, the discussions served the purpose of winning the commitment of the industry's management, many of whom were ideologically opposed to nationalisation and likely to regard any new Corporation policy with

little enthusiasm. Moreover, in an organisation the size of the Corporation (employing at formation 260,000) the successful implementation of policy depended on the commitment of local management. In addition, the department of Personnel and Social Policy was attempting to assess the potential resources that existed within the organisation in order to implement the new policy. This involved getting works level management to provide information (mostly by rule of thumb) on the manning reductions that were possible, and the work study and industrial relations personnel they employed.

The outcome was the acceptance of the Jones Working Party Report as the primary document upon which the Corporation's strategy would be based, altered in places to suit the needs of a single employer. At the same time it is worth noting that there was no sudden change compared with earlier developments, a fact which was likely to improve the commitment of existing managers. Nevertheless, nationalisation probably had the effect of increasing the pace of policy change, and thereby giving urgency to the Jones Report. A draft programme was submitted to the Corporation Board seeking permission to commence discussions with the trade unions, and approval was granted on April 11th, 1968.

The productivity programme was presented to the Steel Committee on 10th May, 1968 (it was a green booklet and came to be known as the 'Green Book') and contained the following main objectives:(46)

- '(a) A highly efficient labour force which can be deployed flexibly to meet works' operating needs
- (b) A more effective and more equitable wage structure
- (c) Conditions of employment which will provide a greater security and stability of earnings'

The means of achieving these objectives was through the negotiation of a framework productivity agreement with the steel unions at national level,

then, within this framework agreement, by the negotiation of local productivity agreements. As in the Morley Report, a national Review Committee was to be established to monitor the local productivity negotiations. More specifically, the programme's proposal for achieving manpower reductions was to get union acceptance of management's right to introduce work measurement techniques. This was likely to give rise to two problems of which the Corporation were aware. The first concerned the use of work measurement techniques. The industry had made little use of work study, and local management and trade union officials would need to be prepared for its use. Therefore, the Corporation proposed to offer appreciation courses at all levels. Furthermore, work study engineers were in short supply indicating a need to revise training and recruitment policies. The Jones Working Party had estimated that the work study staff should be about 1% of the work force. The second problem concerned the use of work study findings since the BSC saw these as a means of reasserting control over manning standards. The Green Book put it as follows:(47

'The results of work study investigations will be made available to both management and trade unions and joint consultation will take place before any recommendations are implemented. Although management must have the right to implement the manning which work study discloses as appropriate'

Management in attempting to secure sole prerogative on manning levels was departing from established practice by which production manning was jointly agreed. The idea was strongly held, at least by senior management, and can be traced through the deliberations of the Morris and Jones Working Parties. Moreover, it is interesting that the Corporation should consider that a move in this direction was possible through "objective" work study techniques.

Reform of the wage structure was another main feature of the productivity programme. This, the Corporation argued would help curb wage drift and provide an important aid to works level productivity bargaining. The main proposals covering premium payments are contained in the next table.

Table 3.2

Proposed Premium Payments to Wages, May 1968

Shifts, Monday to Friday	6.00 a.m.- 2.00 p.m.,plain time
	2.00 p.m.-10.00 p.m.,plus 12½%
	10.00 p.m.- 6.00 a.m.,plus 25%
Weekend Premiums, Saturday	6.00 a.m.- 2.00 p.m.,plus 50%
	2.00 p.m.-10.00 p.m.,plus 50%
	10.00 p.m.- 6.00 a.m.,plus 100%
Sunday	6.00 a.m.- 2.00 p.m.,plus 100%
	2.00 p.m.-10.00 p.m.,plus 100%
	10.00 p.m.- 6.00 a.m.,plus 50%
Day shift,Monday to Friday,plain time	
Saturday, plus 50%	
Sunday, plus 100%	
Overtime, hours worked plus 50% on time and bonus rates, except at weekends when premiums apply only.	

source: BSC, National Productivity Programme

The proposals aimed at establishing uniform time conditions which would replace the different conditions existing for various groups in respect of shift premiums and overtime payments. Both production and maintenance workers were paid a cost of living payment which the programme proposed to consolidate into their respective shift and hourly rates. In addition, the production operatives tonnage bonus was to be limited to a maximum of 25% of total shift earnings. Tonnage bonus for these workers was based on the standard output of specific units of plant, and will be dealt with in the works case studies. This latter proposal was meant to improve the stability of the production workers earnings. On the other hand, the craftsmen in addition to their hourly rate had a different wage structure. The extra payments derived from the November 1964 Efficiency, Service and Qualifications agreement were

to be consolidated into the hourly rate. Also, craftsmen were paid a tonnage bonus, but on a weekly and not a shift basis. The weekly bonus was calculated on a standard output for the whole works and not individual units of plant as with production workers. The Green Book proposed to consolidate into the hourly rate 35/- of this weekly bonus. Finally, the rotating shift payment to craftsmen was to be consolidated into the hourly rate. These simplifications to the wage structure would help to improve the flexible deployment of manpower at works level.

Improved security of employment was yet another main feature of the programme. This included improvement in the guaranteed week from four to five shifts; also, provision for maintaining a workman's earnings if demoted within a promotion ladder, or alternatively redeployed to another promotion line.(48) This latter provision would keep a man's earnings at 80% of his previous earnings for a period of 13 weeks after which it would diminish progressively. Associated with these proposals was the need to work out procedures to handle redeployment and redundancy. The measures were aimed at easing resistance to the rationalisation programme.

The programme also included provision for improving the holiday with pay scheme, and introducing for manual workers pensions and sick pay. These were the symbols of the Corporation's intention to improve its employees' conditions of employment. On the issues of holidays with pay and pensions, the Corporation's proposals differed from the Jones Working Party recommendations. In the former case, the working party had considered improvement too costly, and pensions to be outwith their remit.(49) Another main proposal was to set up a joint working party to investigate and determine the best method of applying job evaluation within the Corporation. On this point the Corporation was seeking from the unions acceptance in principle of a scheme for the future. This proposal went beyond the Jones Report which had

recommended a crude job grading structure and that an Association working party should be set up to study the technique.

It was the Corporation's aim to introduce these proposals over a three year period as follows:

Table 3.3

Implementation Plan for Productivity Programme, May 1968

Year One	Standard Time Conditions, Guaranteed Week, Redeployment Benefits, and Discontinuance of Cost of Living Payment.
Year Two	Holiday with Pay and Pensions
Year Three	Further rationalisation of the Wage Structure and Job Evaluation

source: BSC National Productivity Programme

The Corporation estimated that over three years the programme would add 15.6% to the total wage bill. This consisted of 4.6% or £6.6 millions in year one, and 5.5% or £7.9 millions per annum for years two and three each. The proposed wage structure reform was the largest single cost, estimated at 3.3% or £4.7 millions. This was followed by the pension scheme at 1.2% or £1.7 million per annum. All the other items if taken separately were very much less expensive. On the savings side, the Corporation estimated that cancellation of the cost of living payment would amount to 2% of the wage bill in 1969 (that is, the first full year). However, given the aim that the programme should pay for itself, the Corporation estimated that labour inputs in man years had to be reduced by 5,850 in 1969, 6,960 in 1970 and again 6,960 in 1971.

Another important aspect of the Corporation's strategy not explicit in the programme, was the desire to achieve greater inter-union co-ordination

at works level. This was implicit in the logic of the Green Book and in some respects was vital to its success. For example, if the full benefits of demanning, work reorganisation, and increased labour mobility and flexibility were to be achieved, then works or near works-wide agreements were necessary. Why the Corporation did not make this explicit in the programme is not known, but it probably arose from the difficulties of getting some degree of multi-union negotiations at national level. In addition to the national union problem, a further problem existed in the multi-branch structure of the production unions. The steel industry with branches based in the work place has a tradition of branch and work group autonomy. In addition, the production unions' rule books gave formal authority to the local branch to negotiate with management on time and bonus rates. These two aspects will be considered in detail in the works case studies on Ravenscraig and Corby. Given the small size of branches, and that several existed in most large works, an extra constraint was placed upon attaining the objectives of the productivity programme. Therefore, the productivity programme also contained implications for production union branch relationships. It is in this respect that the twin strategies of the Corporation, of seeking to increase union co-ordination through both the programme and the Steel Committee, most clearly coincide and can be seen as parts of an integrated whole.

Finally, a word ought to be said concerning the influence of the Prices and Incomes Policy on the formulation of the programme. This seems to have had some influence, in that Corporation executives (during March and April, 1968) held several meetings with the Ministry of Power. Ministry officials seemed to have expressed concern that the programme (which, as a proposed framework agreement, by itself did not reduce the manning by a single person) should not exceed the Government's 3½% wage ceiling established in April, 1968. Also, they wanted the benefits phased-in over a longer period and in addition

they cast doubt upon the estimated costs and benefits of reforming the wage structure - the costliest item. The Corporation met the Ministry's main point, namely that the proposals would not exceed 3½% per annum in the first year. This appears to have been achieved by building in estimated savings to be derived from abolishing the cost of living payment. In other words, the Corporation took account of Incomes Policy and had to adjust the programme to conform with it. However, Incomes Policy was not a major determining factor in the development of the Corporation's productivity programme.

Summary and Conclusions

The main purpose of this chapter has been to describe the strategies adopted by management to solve the problems identified in Chapter Two. The strategies aimed to improve labour productivity and thereby financial results, and to achieve this while maintaining reasonable stability in industrial relations. Secondly, the Chapter has attempted to identify the important factors influencing the selection of these strategies. The discussion began with a brief description of the origin and development of the economic and technological problems facing the British steel industry. To these problems the industry responded with a programme to concentrate output in large hot metal integrated works near to deep water ports and to phase out older, smaller and high cost units of plant.

ISTEA took the first major initiative among maintenance workers in 1966. Significantly, this involved a major departure from the earlier ad hoc, defensive policy to a more positive, joint participative approach towards tackling the industry's problems. Several factors influenced the employers' decision to adopt productivity bargaining; these included product market changes, nationalisation and Incomes Policy; but the most important factor

was the need to promote a change in industrial relations by an appropriate method in a heavily unionised industry. Since information on productivity bargaining was spreading steadily during the 1960s, the employers decided upon this strategy as a response to the situation. Nevertheless, this decision was only reached after political developments had occurred within the Association

A second strategy aimed to increase the degree of inter-union co-ordination by reforming the national collective bargaining arrangements on issues of common interest. This proved difficult to achieve owing to the history of union rivalry. Consequently, the initial idea of a comprehensive recognition and procedure agreement and NJIC was discarded in favour of a new institution known as the Steel Committee. Initially no more than a loose consultative body, it took on a negotiating function over a period of time. The main reason for this change of function was the creation of a single employer with a coherent and authoritative strategy at the centre. This included a forceful representation of the rationalisation strategy including works closures and redundancies, assisted by tactics giving support to the TUC Secretariat as a unifying influence.

The Confederation proved a major obstacle to greater inter-union co-ordination, although the craft unions and general unions favoured the idea of an NJC. The ISTC due to its history, ideology, power and status found it difficult to come to terms with the changes taking place in the industry. For example, the Corporation's rationalisation programme was reducing the number of process workers faster than the number of other grades of employee. To compensate the Confederation attempted to recruit white collar and middle management grades, but were opposed by the white collar unions, SIMA, ASTMS and APEX. As a result, a vicious inter-union recognition dispute broke out, and the Confederation sought an alliance with the Steel Committee unions.

This experience had the effect of welding the Steel Committee into a cohesive body, and led to the ending of old inter-union rivalries.

Central to the Corporation strategy was the productivity programme. Manpower utilisation was to be improved through the introduction of work measurement and local productivity agreements. These techniques would allow management to regain control over production manning standards. Reform of the wage structure was planned in order to remove certain obstacles to the flexible and mobile use of manpower, whilst the elimination of certain anomalies was seen as helping to curb wage drift. Improvements in security of employment were likely to reduce trade union resistance to change. All three elements were to remove differences between grades of workers, established by autonomous trade union bargaining, and thereby improve stability in industrial relations.

The above then, were the major strategies developed by management in response to the pressures generated by the changing situation facing the industry in the period under review. The next Chapter will deal with national negotiations between the parties, and in particular with trade union responses to these initiatives.

References.

- (1) Labour productivity in the industry had improved by means of technological innovation prior to Benson. The BISF estimated the improvement at 2½% per annum in the years 1946-66. Nevertheless Benson was proposing to accelerate the rate of productivity improvement.
- (2) BSC, Ten Year Strategy, HMSO Cmd 5226 paras 1 and 16
- (3) TASS, An Expanding Future for British Steel, page 23
- (4) BSC, Prospects For Steel, 1978 Due to a marked fall in world steel demand BSC forecast a liquid steel production in the range of 16.1 to 22.2 million tonnes. Clearly total capacity will be much less than that envisaged by TASS.
- (5) ISTEА, 'MEUMM' para 14
- (6) A Flanders, The Fawley Agreements
- (7) ISTEА, op cit, para 30
- (8) Cmd 2639
- (9) A Flanders, The Case for a Package Deal, Times 9/7/68
- (10) Cmd 2651
- (11) Section 39 of both the 1949, and the Iron and Steel Bill, 1966 obliged the Corporation to negotiate with any workers' organisation appearing to them to be appropriate.
- (12) Fabian Tract 431, contains Victor Hugo's statement, 'Nothing is more powerful than an idea whose time has come.'
- (13) BISF, op cit.
- (14) Industrial Court Awards, 3024, 3054 and 3055
- (15) RCTUEA, Research Paper No 6, Table 6 shows metal manufacture with a union density figure for white collar employees of 20.7%.
- (16) Select Committee, op cit, pages 84-85
- (17) Cmd 9843, page 144 (taken from the verbatim report)
- (18) BISF, statistics. This trend continued in the 1960s. For example, between 1966 and 1968 production workers as a percentage of the total work force fell significantly from 35.2% to 32.8%.
- (19) Cmd 9843 verbatim report, page 145
- (20) JDM Bell, Development of Industrial Relations in Nationalised Industries in Post War Britain, BJIR, March 1975, pages 4 and 5

- (21) TUC Report, 1972, page 474. This contains a statement by Dai Davis, General Secretary, ISTC on nationalisation and his union's commitment to improved efficiency. Also, JA Banks, Marxist Sociology in Action, shows that the ISTC adopted their policy of public ownership for the industry in the inter-war period.
- (22) NCCC, Proposals for Nationalisation, April, 1967
- (23) GB Baldwin, Beyond Nationalisation, page 54
- (24) Industrial Relations Review and Report, No 51 March, 1973
- (25) SW Lerner, Breakaway Unions and the Small Trade Union, chapter 4
- (26) TUC Report, 1966 page 118
- (27) Ibid, 1967 page 364
- (28) Sir Harry Douglas retired as General Secretary of ISTC on 31st December, 1966.
- (29) The Steel Committee consists of six union bodies, that is, ISTC, NUBF, NCCC, GMWU, TGWU and UCATT.
- (30) NCCC, op cit, page 31
- (31) EETPU, National Conference Iron and Steel Industry, May 1970, page 8
- (32) HA Clegg, Industrial Relations in Great Britain, page 42. Furthermore, this had been the reason for the establishment of the union in 1917.
- (33) GS Bain et al, Social Stratification and Union Character, page 277, contained in B Barrett et al, Industrial Relations and the Wider Society.
- (34) This attitude is clearly brought out in the statement of Sir Harry Douglas to the 1956 Court of Enquiry, verbatim report, page 145
- (35) Select Committee, op cit, page 205.
- (36) Ibid, page 215.
- (37) Of course, given the Counter Inflation Policy there was little scope for the unions to pursue divergent aims.
- (38) The British Iron and Steel Management Association, a non TUC union, subsequently changed its name to the Steel Industry Management Association.
- (39) TUC Report, 1969 page 572
- (40) Ibid, 1969 page 454
- (41) ISTC, various quarterly reports.
- (42) The industry had several negotiating structures including the Sheet Trade Board and Welsh Tin Plate, but the heavy steel sector was the most important. Workers employed by the old Steel Company of Wales were also excluded.

- (43) ISTEА, op cit, page 32
- (44) ISTEА, op cit, page 30
- (45) BSC, Report on Organisation, 1967
- (46) BSC, National Productivity Programme, page 3
- (47) Ibid, page 10, para 8
- (48) Promotion ladders in the steel industry consist of a number of jobs ranked in terms of skill for specific units of plant. All production workers enter employment as unskilled labourers and are attached to one of several labouring pools. The principle purpose of such a pool is to ensure full manning of the bottom jobs on various promotion ladders to cover for absenteeism, sickness, holidays, retirement and similar problems. Therefore, a labourer is provided with an opportunity to work in several different ladders, for example, in the melters' and cranemens' line before permanent promotion into one or the other. When a vacancy occurs, he is offered a permanent post on one of the ladders. Once on the ladder the worker gains experience of the job above him until such time as it becomes available. In time, the worker might reach the top job.
- (49) ISTEА, op cit, page 27

Chapter Four

Action: Negotiations and Productivity Agreements

The previous Chapter identified various strategies developed by management in response to the industry's changing environmental circumstances and the major problems these generated. They involved a plan to rationalise the industry's technology, location and organisation, with a view to increasing efficiency. Also, ISTE's initiative aimed at improving the utilisation of maintenance manpower. Then, most importantly, with the establishment of BSC (covering 90% of the industry's crude steel making capacity), came a productivity programme aimed at facilitating the rationalisation strategy. Also, the productivity programme aimed at achieving a reasonable degree of orderly change in the industrial relations system. Therefore, BSC took the initiative in reforming the traditional autonomous and fragmented collective bargaining arrangements at national level and sought the creation of the Trade Union Steel Industry Consultative Committee.

This Chapter aims to analyse the national negotiations and their results. Attention is focused upon management's tactics to implement the strategies identified in the last Chapter. Also analysed are trade union responses, objectives and counter strategies, if any. In addition, attention is given to internal differences within management and trade union organisations, and to how these influenced negotiations between the parties. The Chapter begins with the introduction of the 40 hour week for shift production workers. This was not dealt with in the previous Chapter as no long term agreement on it existed. Nevertheless, as a type of productivity agreement it contained implications for the works level case studies. The Chapter then analyses the approach of the parties to "The More Effective Use of Maintenance Manpower".

This is followed by an examination of the negotiating process surrounding the national productivity programme.

Part One, Shift Production Workers, The 40 Hour Week Agreement

This agreement was referred to in Chapter Two, where it was used to illustrate the competitive nature of national level collective bargaining. To recall, the Confederation submitted a claim for a 40 hour week in autumn 1964, and agreement was reached to introduce it with no loss of earnings on 4th July, 1965. The Association then offered the 40 hour week to all the unions which, with the exception of the NUBF, accepted. The latter union decided to pursue a claim for night shift premium payments which were subsequently awarded by a Board of Arbitration. Consequently, the Association offered the ISTC night premiums if the union dropped the 40 hour week. The Confederation refused the offer and instead lodged a claim for night shift premiums in addition to the 40 hour week. The Association, and later a Board of Arbitration, rejected the claim. The union at this point accepted the night premium offer and agreed to forego the 40 hour week for shift production workers, subject to the following:

'..... a 40 hour week for shift production workers shall be subject to a fresh claim not earlier than June, 1966
..... a 40 hour week for such workers be introduced in December, 1966 subject to an agreement having been reached on the conditions to apply'

This meant that approximately two thirds of the membership of the production unions remained on the 42 hour week.

As events turned out it was not possible to introduce the agreement by December 1966, owing to the then prices and incomes standstill of July, 1966. This policy placed a limitation upon the parties, who then entered into

discussions on how best to implement their agreement. Management argued that the 40 hour week could be introduced at no extra cost to the industry by reduced manning. The union's national leadership showed little resistance to this proposal, although they did express concern over possible difficulties at some of the works.

This difference in attitudes and interests between the union's leadership and some rank and file members has been noted previously by other writers on industrial relations. Walton and McKersie(1) show that, with vertical differentiation within a union, top officers are more concerned with precedent, policy, and public image than are the rank and file. In other words, the Confederation's officers were committed to the 40 hour week for all workers due to the earlier agreement, but the membership less so with the proposed reduction in manning. As a result of this internal difference the trade union leadership sought from management the following clause aimed at strengthening their hand over implementation: (2)

'Conscious of the need to increase efficiency to meet intense world competition the Association and the Confederation shall join in making every effort to secure improved productivity in all the industry's operations by the elimination of wasteful practices and by the most effective use of manpower and working methods. To this end the Confederation will cooperate with management in making possible the introduction, at no extra cost to the industry, of a 40 hour week (average) for shift production workers'

Local resistance to the 40 hour week was also encouraged by the technical complexities of operating such a rota on many units of plant. In recognition of this, the agreement allowed for the continuation of the 42 hour week rota, with the proviso that the individual employee take an unpaid shift off every

four weeks. In this case the manning was not augmented.

The agreement contained two further interesting features. Firstly, a preparatory period was accepted running from February to 1st July, during which consultations were to take place locally to agree the necessary manning reductions prior to implementation. Secondly, a joint sub-committee was to be set up to monitor progress and handle disputes arising over implementation.

The blastfurnacemen continued to show no interest in the 40 hour week throughout 1967. However, in 1968 the position changed, with the union submitting a claim on 12th November. The Corporation's response (the Association was formally wound up on 7th March, 1968) was to offer the 40 hour week, but on the same terms as those accepted previously by the Confederation.

This offer was unacceptable to the union, which argued that the 40 hour week was general throughout industry. Also, the blastfurnacemen's productivity had increased by 33% between 1967 and 1968 due partly to the efforts of their members. In addition, the standard manning was jointly agreed, and if management wished a revision the matter should be pursued through the 1957 procedure agreement. As a result, the union claimed the 40 hour week as a right without the need to pay for it by a manpower reduction.

The Corporation questioned the validity of the union's case arguing that productivity had largely increased through improved organisation and technological innovation. With regard to the 1957 agreement, management had failed to achieve a manning revision by this approach. Also, the climate of the late 1960's was heavily influenced by the Corporation's discussions with other unions over the productivity programme. Thus, to have met the blastfurnacemen's claim without productivity concessions, would have encouraged an expectation on

the part of the Confederation for a similar 5% concession. Furthermore, the Corporation was caught between the productivity programme (with a cost of 4.6% in year one) and the prices and incomes policy (with its 3.5% ceiling) which ruled out any additional wage concession to the blastfurnacemen. Therefore, the Corporation wished to avoid doing anything which would endanger the Green Book, and insisted that the issue be dealt with as part of the programme. As a result the negotiations became deadlocked, and finally the claim was referred to arbitration.

The arbitration board made its award on 22nd August 1969,(3) giving the 40 hour week, but also strongly recommending the parties to introduce it on terms similar to those adopted in the agreement between the Corporation and the Confederation.

To conclude, the 40 hour week provided a national framework within which works level manning negotiations, and the associated reallocation of duties were to be conducted. For most shift production workers it was the forerunner to the productivity programme and therefore contained implications for local productivity bargaining to be carried out under it. Secondly, it is tempting to view the blastfurnacemen's hard attitude towards the 40 hour week as an expression of inter-union rivalry and an attempt to win an advantage over ISTC. The union's motivation in this instance however is better explained by a concern for its falling membership,(4) heightened by its small size. Both unions were experiencing a similar fall in manual membership, but the position of ISTC was very different. The Confederation was larger in size, power and status, but most important, it stood to gain more from the recruitment of white collar workers. Finally, although this principle of conceding the 40 hour week at no extra cost to the industry reflected a developing management concern with improving manpower efficiency, on this occasion it was largely the result of intervention by the prices and incomes policy.

Part Two, The More Effective Use of Maintenance Manpower

In February, 1966 the Association established the Morley Working Party to investigate the best means of improving maintenance manpower productivity; their report became Association policy towards the end of 1966. However, within the working party, disagreement arose over the means of achieving an improvement in productivity. In particular the south Yorkshire company favoured a one-off agreement giving weight to the introduction of work measurement and financial incentives, whilst the others preferred initially to tackle the overmanning problem (that is, restrictive practices, systematic overtime, etc.,) followed by a second phase which introduced work measurement and financial incentives. Also, the Association decided to change its attitude to the craft unions, which had previously been defensive keeping communications to a minimum; it now decided upon a more participative approach. These policy decisions led to the Eastbourne Conference held on 19th January, 1967.

Eastbourne was a consultative meeting at which management submitted to the unions the document entitled "The More Effective Use of Maintenance Manpower" as a basis for discussion.(5) ISTEAs main tactic was to win the commitment of union full-time officials to an informal national understanding based upon common principles within which local bargaining would be conducted. Consequently, there was no need to develop joint institutions to monitor progress and to ensure conformity. Moreover, no mention was made of the Association's own Review Committee, which, as described in Chapter Three, was given authority to scrutinise the various companies' proposals, both before meeting the unions and during negotiations.(6) It would appear therefore that the Association's conversion to an open participative approach was not quite complete. This was due partly to ISTEAs traditional ideology generating mistrust and suspicion, but also for other reasons discussed below.

How did the unions react to these proposals? They were suspicious of the Association's switch in policy, but both at Eastbourne and at the meetings which followed the craft unions were concerned about two issues. One concerned the relaxation of craft job demarcations, and the other the shift of emphasis in formal negotiations to works level.

As regards the former, the steel industry employs only a small proportion of the total membership of the craft unions which outside of the industry do not confine recruitment to craftsmen; nevertheless they are heavily influenced by their craft ideology.(7) Thus management are often faced with union rules (such as restrictive job practices and on the apprenticeship) associated with wider craft protection which they find restrictive in the specific situation. ISTEAs proposals, by relating improvements in earnings to improved productivity, challenged the existence of these accepted principles. This presented a problem to the craftsmen and their unions.

Secondly, the emphasis upon local productivity negotiations to some extent reversed the direction along which the unions had been moving for several years. Before 1949 there were no national negotiations in steel covering craftsmen. In fact, the National Joint Trade Union Craftsmen's Iron and Steel Committee was only created in the late 1940's, and a national procedure agreement signed with the Association on 19th January, 1949. Until that time, wages and other conditions of employment were negotiated either at works' or district level.(8) Dissatisfied with the differences in wage levels throughout the United Kingdom, the craft unions pressed for, and won, a uniform wage structure with a consolidated national hourly rate. This was partly conceded in an Industrial Court Award of 13th August, 1949.(9) Given this trend to centralised bargaining would the NCCC allow a larger proportion of the craftsmens earnings to be settled at local level? (10)

After Eastbourne the craft unions rapidly faced up to both these problems. On the issue of restrictive job practices the NCCC's attitude (as represented by the full-time officials) was positive. They accepted management's argument that maintenance efficiency had to be improved by accepting inter-craft flexibility and similar issues. The craft unions' attitude was probably influenced by their experience of productivity bargaining at Port Talbot Works,(11) and in other industries. Also, the NCCC, in their document entitled "Proposals for Nationalisation", clearly showed their positive attitude to improving the industry's efficiency.(12) However, nationalisation although a positive factor was not the most important one determining the craft response. This was mainly influenced by the long run objective to improve their members' relative position in the industry's wage league compared with production and other workers in outside industries. The previous chapter showed the existence of bitter competition between the craft and production unions over this issue. Moreover the national November 1964 Ten Shillings Efficiency, Service and Qualification agreement, was a concession by the employers' association to this pressure. This agreement recognised the enhanced status of the craftsmen, it allowed increased flexibility between them, and recognised their increasing skills due to technological advance. Therefore, the Association's proposals coincided with an increasing realisation by the craft unions that their long run objective could only be achieved if craft work came to be perceived by management as more skilled and responsible. Finally, on the question of prices and incomes policy, although ISTEAs proposals conformed with this, it did not appear to be an important consideration with the trade unions.

Secondly, the shift of emphasis from national to local bargaining was also accepted by the NCCC. The craft unions' initial response was to negotiate a formal national agreement. The Association rejected the idea. Seemingly, the Association was attempting to avoid giving the non-craft unions an argument

for submitting a national wage claim which may not have paid attention to the craftsmens' productivity criteria. With the employers firmly opposed to a formal national agreement, even of the framework type, the NCCC accepted the Association's proposals in order to achieve its own wage objectives.(13)

However, in agreeing to the proposal the craft unions pressed for and achieved a uniform understanding that phase one agreements would pay between £2 and £3 per week across the country. As a consequence the national understanding did not weaken the negotiating function of the national union officers. Also, it coincided with the desire of the employers' associations, reflected by the Review Committee, to avoid wage leapfrogging between steel works.

With the national understanding, the Sheffield area went ahead quickly and conducted their own type of agreement based upon work measurement, planned maintenance systems, and financial incentives. This agreement which paid about £6 per week for average performance was operating by the middle of 1968. The speed at which United Steel Companies Ltd., implemented their scheme was the result of previous local discussions held prior to the national understanding with the District Craft Committee.

Meanwhile, the other companies began to draw up plans for submission to the Review Committee for approval. As local negotiations got underway throughout 1967 and 68 they were caught up in an increasingly complex situation with the submission of the Corporation's national productivity programme to the unions in May, 1968. To understand the complexity it is necessary to clarify the overlap between "The More Effective Use of Maintenance Manpower" proposals and the productivity programme, without pre-empting the analysis of the latter to be dealt with in the next part of this chapter.

The national productivity programme referred to such items as work measurement, local productivity deals, and planned maintenance systems, which were all part of "The More Effective Use of Maintenance Manpower" agreement. In a sense the Association/Corporation having obtained NCCC agreement to introduce local productivity bargaining for no extra national payment, were subsequently doing so through the productivity programme. However, such a criticism ignores the fact that the productivity programme was much more comprehensive in several respects. Firstly, it aimed at reforming the wage structure for all manual workers, and also contained employment and income security proposals. Secondly, the Corporation wished to move quickly on the maintenance proposals and as a result, although incorporated into the framework of the national productivity programme, decided to keep the local maintenance negotiations separate, and if possible, achieve local agreements prior to the National Productivity Agreement.

This plan to separate local MEUMM negotiations from the national productivity discussions proved to be impossible. For the local negotiations got caught up in an NCCC wage claim leading to a rising tide of labour unrest towards the end of 1967. This unrest involved sporadic strike action and will be examined in detail in the next part of the Chapter. Furthermore, the NCCC withdrew from all productivity discussions which in effect delayed implementation of most of the phase one agreements until 1970. Eventually the productivity programme for craftsmen was agreed in March 1969, and the local maintenance negotiations again went ahead. These agreements however paid £4 per week (14) instead of the £2 to £3 contained in the national understanding, a fact that reflected the general rise in earnings that occurred after 1969. Thus in the years 1967-69 average earnings rose 12.7% compared with 21.5% for 1969-71.(15)

In order to complete the MEUMM analysis, the narrative now jumps beyond

the productivity programme discussions of 1968-69. Phase two discussions of the maintenance manpower proposals began in 1970 in various areas across the Corporation. The main exception was the Sheffield area which had concluded its own "one stage" agreement earlier. The NCCC phase two claim was for time and one third (that is, the basic hourly rate plus one third for incentive bonus) at standard performance. This was equal to a bonus of £8.20 per week at 1968 wage rates. Therefore, the National Productivity Agreement of 1969 did not change the structure of the Association's earlier MEUMM proposals, but merely accepted and added to them.

The craft unions argued that they had pitched their phase one claim too low, and quoted as evidence the resistance of craftsmen in certain works, including Shotton in North Wales. Therefore, the phase two figure of £8.20 aimed partly at obtaining compensation for their moderation during phase one. Also, the NCCC wanted the figure stated in a formal agreement on this occasion. Both the wage demand and the emphasis upon a formal agreement showed the NCCC leaderships' concern to regain control over their membership. The position of the leadership had suffered as a result of unofficial action during the period 1968 to 1970, and their strategy highlights the importance of internal union conflict as an influence upon the collective bargaining process. Walton and McKersie conceptualise the position of chief negotiators as in a boundary role, caught between the need for predictability in the relationship with their opposite numbers at the bargaining table, and the expectations of their constituents which are invariably greater.(16)

Management's response to the claim was to arrive at an informal national understanding on the cash value to be paid for local agreements. Also, management rejected the claim for time and one third, which would automatically raise the bonus element with every increase in the time rate. Eventually, the NCCC

accepted these points, but remained adamant on their claim for £8.20 per week at standard performance. On this the Corporation offered £5.50 per week, and negotiations came to a halt. The stalemate was later eased when the parties agreed that local settlements could yield more than £5.50 but less than £8.20. The case studies, discussed later, will show which of these amounts the local agreements moved towards.

Finally, before leaving the negotiations over the "More Effective Use of Maintenance Manpower" a word should be said about one of its side effects. The Sheffield area agreement, concluded in 1968, was undermined. The delays and higher values obtained in the 1970 phase one agreements, with phase two still to come, reduced the wage differential of the Sheffield craftsmen. They revolted, pressing for an additional settlement. Hence the United Steel Companies, who favoured a one stage approach to avoid giving the unions an opportunity to bargain twice, ended up doing just that. In this sense the company was correct. However, even if United Steel's advice had been followed, it would be dangerous to conclude that this would have reduced the total wage settlement for the period. The steel industry was caught up in a more general country-wide wage inflation, and NCCC pressure for higher wages would have existed in any case, irrespective of the MEUMM phase two.

To conclude, there are three main points of interest in this part of the Chapter. First, the employers' strategy challenged the craftsmen's protective job practices, and proposed a shift in the focus of bargaining from national to works level. The craft unions adjusted to these demands, accepting them as the best means of improving their long term aim to improve their position in the industry's wage league. However, the NCCC's response was less positive amongst the rank and file. In some localities craftsmen resisted the proposal to relax job practices, indicating that they either considered the issue as a point of

principle, or that the phase one £2 to £3 per week was inadequate. Certainly, the national officials thought the latter.

Second, the leadership of the NCCC was challenged and they attempted to win back control over their membership. The leaderships' authority had been weakened by the moderate wage settlement of phase one, causing them to adopt a hard uncompromising line during phase two negotiations. The phase one settlement frustrated rank and file expectations to improve their relative position in the industry's wage league, and resulted in unofficial action called by shop stewards. The phase two deadlock was only resolved when both parties agreed that local settlements should fall between the Corporation's last offer of £5.50 and the NCCC's demand for £8.20. In this way the union leadership was able to compromise without losing face in the eyes of their members.

Therefore, the Corporation, in pursuit of the employers' association's manpower strategy, achieved success in that most of the principles were agreed with the NCCC. Whether or not these aims were successfully implemented at works level is another question which can only be tested by works level investigation.

Part Three, The National Productivity Programme

Chapter Three explained the factors influencing the origin and formation of the productivity programme. To recap briefly, the origins go back to the Jones Working Party established in November, 1966 whose ideas were subsequently taken up by the Corporation and adapted to meet existing needs. The aims of the programme were to improve manpower efficiency, to promote the development of the rationalisation strategy, and to assist in achieving greater order and stability within the industrial relations system by encouraging multi-union

negotiations on issues common to all unions. However, owing to the difficult state of management-union and inter-union relationships at the time (arising from previous inter-union rivalry, insecurity caused by the rationalisation strategy, shared decision making and the union recognition dispute), the outcome of negotiations to achieve these aims was very uncertain. Part Three deals with the process of consultation and negotiation which achieved the implementation of the productivity programme, with identifying the tactics used by the Corporation with reactions of the trade unions, and the factors producing these reactions. The approach is to describe the Corporation's presentation of the programme to the Steel Committee and to consider the latter's response. These take the form of individual union negotiations with the Corporation on certain aspects of the programme. However, rather than deal with each union's individual negotiations, only those of the NCCC and the Confederation will be considered. Finally, the Steel Committee's negotiations with the Corporation will be analysed leading to the first multi-union collective agreement in the industry.

On 10th May 1968, the productivity programme was presented to the Steel Committee at a consultative conference. The proceedings opened with the Corporation emphasizing the need to encourage new attitudes on the part of all employees including management.(17) Progress was to be achieved through the productivity programme which as a long term plan aimed at improving the guaranteed week, introducing sick pay, pensions and other features. These benefits had to be paid for, and this required both unions and management to tackle the serious overmanning problem, that is, a reduction of some 20,000 out of 134,000 workers. To achieve these aims management required the right to introduce local productivity bargaining, work measurement, etc., and in the case of the latter the right to introduce the manning standards revealed by work study to be appropriate. The Corporation put the issue of manning control squarely on the table as essential to the successful outcome of the package.

On the question of the wage structure reform, the Corporation argued this was in urgent need of change. In modern conditions it had become unwieldy, complex, and irrational, often placing a constraint upon a mobile and flexible use of manpower. Moreover, the proposed changes in the wage structure would prepare the way for job evaluation.

Finally, the Corporation emphasized the need for a new procedure to discuss and negotiate various aspects of the programme. It proposed that multi-union discussions should be held under the auspices of the Steel Committee. In addition, joint BSC/Steel Committee working parties should be established to discuss issues common to all manual workers like sick pay and pensions.

In terms of procedure for negotiating the programme union reaction was more influential in shaping the outcome. The Steel Committee was unable to organise the various trade union views or to establish multi-union negotiations since, as mentioned in Chapter Three, the Steel Committee at this time was merely a loose consultative body and the production unions had no intention of establishing multi-union negotiations. It was therefore the NCCC who made the first move:(18)

'The NCCC informed the Steel Committee that it was embarking on direct negotiations with regard to a wage claim on behalf of its constituent unions and requested that the Corporation should be informed that questions of wage structure and wage payments should continue to be discussed directly between the unions independently, and the Corporation, through established procedures, not through the Steel Committee'.

Why the NCCC, which advocated the establishment of an NJIC should be the

first to push for separate union negotiations is an interesting question. After all, the craft unions believed that their skills and experience were under-valued relative to those of the production workers, and after years of struggle saw the NJIC as a logical means of achieving this long term aim. In early 1968, however, this rational solution to their problem was pushed aside in the pursuit of the more immediate aim of a substantial wage award. Tables 4.1 and 4.2 indicate why this was done.

Table 4.1

Average Earnings per Worker, Iron and Steel Industry, 1963 & 1968

	December, 1963	December, 1968	%increase
Maintenance Workers	£17.80	£22.80	29%
Production Workers	£18.35	£24.10	31%

source: BISF, statistical statement

These figures show that in the period 1963-68 the percentage difference between the average earnings of production and maintenance workers widened marginally in the steel industry, despite the November, 1964 Efficiency, Service and Qualifications Agreement, intended to achieve the opposite. Moreover, Department of Employment statistics show that the average weekly earnings of production and maintenance workers in iron and steel manufacture rose by 20% and 19% respectively between June 1964, and June 1968. More significantly, Table 4.2 furnishes evidence of craftsmen (and therefore also production workers) in steel falling behind craftsmen in the engineering and shipbuilding industries:

Table 4.2

Indices of Average Weekly Earnings in Three Industries. (Jan 1964 = 100)

	June 1964	June 1968	% increase
Iron and Steel	104.1	124.2	19%
Engineering	103.9	127.9	23%
Shipbuilding	102.4	140.8	37%

source: Ministry of Labour Gazette, 1965-68

These findings are particularly important when it is considered that the craft unions in steel organise the same craftsmen (eg boilermakers, fitters, electricians etc.,) as in engineering and shipbuilding. Also, the craft unions' full-time officials may, in certain areas, cover all three industries. Thus the craft unions' organisation, which cuts across industry boundaries, acted as a mechanism for transmitting wage movements for similar grades in other industries into the steel industry negotiations. Some evidence of this mechanism at work can be obtained from the statement made by the EETPU's national officer. (19) He said, "4/11 per hour plus cost of living is a miserable pittance as far as I am concerned, electricians in this industry are a low paid grade." The relative deprivation of steel craftsmen, therefore, was rising in this period as they compared their increasingly unfavourable position to that of their traditional reference groups.(20) Consequently, feelings of injustice, frustration and aggression began to build up and to be exerted by the rank and file membership upon the NCCC. Therefore, the NCCC leadership became more militant pushing for a separate quick settlement under the productivity programme and a much larger wage claim under phase two of the MEUMM.

The deterioration in the industrial relations climate was not confined to the NCCC unions, for officials of the bricklayers' union were subject to pressure from unofficial strikers on the north east coast of England. In addition, the GMWU submitted a substantial wage claim at this time.

However, although the need to win a major wage increase was an important factor for the NCCC, it was not the only problem which the productivity programme created. This second problem related to the comprehensive nature of the programme which would take some time to discuss and negotiate. Clause 12 states the following:

'The proposals cover a very wide range of subjects and will require detailed and possibly lengthy discussions, but the Corporation is convinced that with good will the difficulties can be overcome and that a more efficient and prosperous industry and work force will result'

Given the mood of the craftsmen the priorities of the NCCC and the Corporation were likely to clash in terms of time scale. An indication of the craftsmen's concern was expressed in the closing speech at the EETPU, National Conference by the union's president.(21) He said,

'I have fears about the meaning of clause 12 at the bottom of page five, because the amount of time that could be taken which is implicit in this clause could be counter productive to what it was intended to achieve. It seems to me that quite apart from improvement in manning, the issue of consolidation (wage) is a separate question.....unless there is some relief maybe through consolidation, and particularly for those plants whose wage levels and conditions are lower than average, then we shall be in trouble and an amount of trouble that might torpedo the negotiations'

Clearly, the NCCC and the other unions saw the comprehensiveness of the programme as an obstacle to achieving their immediate objectives. Therefore, any attempt, by the Corporation to secure a multi-union agreement on the basis of a new institution was seen as likely to prolong delay.

Trade union reactions therefore created a major problem for the Corporation in deciding the tactics to adopt in implementing the productivity programme. The Corporation's first action in early 1968 was to inform the unions that it favoured a revision in wages and conditions, but within the context of a productivity package then being prepared. In this way the Corporation was

able to demonstrate goodwill to the unions, and at the same time use the wage pressure from the rank and file to secure a quid pro quo. In other words, in the context of a strong union desire to win a wage concession, the unions were more likely to concede something in return. Of course, this move required a balanced approach, as any undue delay was likely to harden attitudes and to increase the possibility of more widespread industrial action.

The second tactical move by the Corporation after 10th May, was to avoid negotiating too soon with the individual unions, thereby giving the Steel Committee time to strengthen its hand with the constituent unions. Early meetings with individual unions were kept on a consultative basis. Not that the Corporation expected the Steel Committee to negotiate on all these issues, but it sought from the Committee an understanding on what issues would be the subject of multi-union negotiation. The early months passed with no response from the Steel Committee, and as a result, the Corporation requested a meeting to discuss the Committee's views on the programme in general and on the procedures it might adopt in future discussions.(22) In response the Steel Committee informed the Corporation that the unions would negotiate on wages and wage structure questions independently of each other. However, under the auspices of the Steel Committee the unions would enter directly into joint working parties with the Corporation on more immediate issues, such as redundancy, the guaranteed week, and on redeployment; proposals on holidays, sick pay and pensions, would be discussed on the same basis, but were considered less urgent for the time being. These statements gave the Corporation an understanding on the proposals to be adopted on different aspects of the programme. Negotiations could now begin in earnest.

The Steel Committee's delayed response was also influenced greatly by the attitude of the Confederation. The union made no attempt to start

negotiations until May, 1969 (one year after the programme was submitted to the Steel Committee), whereas the NCCC, AUBTW and GMWU began immediately. This apparent reluctance by the Confederation to negotiate was related to the white collar recognition problem and the bitter feelings engendered between the Corporation and the union. Some evidence in support of this reasoning can be found in the union's quarterly report. This states, (23)

'That while appreciating the Executive Councils views on the inter-union dispute re recognition to the white collar workers, this matter should be secondary to the importance of continuing the negotiations contained in the Green Book on productivity bargaining, which obviously has been put aside.'

The charge made by No 1 Area Committee was denied by the Executive, and the matter dropped. When questioned on this point national officials explained the delay as due to the fundamental nature of the issues raised by the Green Book. As the industry's largest union, the Confederation had to move forward with caution. This attitude was shown by the union's willingness in May, 1969 to set up a joint Corporation/Confederation working party to discuss the programme. The ISTC was the only union to make such a request. This explanation complements the discussion given earlier concerning the union's reluctance to enter a Joint Industrial Council, but both views probably contained some truth since the recognition dispute occupied a disproportionate amount of the union's time and energy, resulting in less attention to the Green Book proposals.

Notwithstanding the Confederation dragging its feet on the programme, especially on the wage restructuring aspects, its reaction on the issue of income and employment security was very different. The rationalisation programme's effect was very immediate and a cause of concern to all the unions. Hence the Steel Committee responded by submitting its own counter proposals

contained in a document entitled "Employment and Income Security".(24) This was drawn up by the Steel Committee Secretariat, and was submitted to the Corporation in September 1968, as a basis for negotiations. The document was wider ranging than the productivity programme, although many items overlapped. This aspect of the Green Book coincided with the aims of the Steel Committee and in particular with those of the Confederation, who had more to lose than most other unions. Consequently, the Confederation's attitude was modified and the historic decision made to depart from tradition and enter multi-union negotiations on some issues.

In the analysis which follows the negotiations of the NCCC and ISTC are dealt with. These negotiations constitute the most interesting insight into the major division within the union side of the industry. However, it should not be forgotten that other important negotiations, particularly those involving the blastfurnacemen were taking place in this period. Finally, the first set of formal negotiations between the Corporation and the Steel Committee will be analysed.

Negotiations: The National Craftsmen's Co-ordinating Committee

The NCCC broadly welcomed the Corporation's proposals to improve manpower productivity. On wage structure reform the NCCC's attitude was also positive, it being perceived as a means of increasing the basic hourly rate. The following concentrates on the controversial aspects including the wage structure and manpower productivity, with particular emphasis placed on factors influencing trade union behaviour and the final results achieved.

The proposals for wage structure reform contained two aspects. Firstly, a consolidation of several elements into the hourly rate and, secondly,

the establishment of uniform time conditions for shift, weekend, and overtime premiums. Also, the Green Book proposed uniformity in the starting and finishing times of weekend premiums. All these wage elements differed between craftsmen and production workers. The next table shows the craftsmen's traditional pay structure compared with the Corporation's proposals:

Table 4.3

Existing and Proposed Pay Structure for Craftsmen,
National Productivity Programme

Traditional Wage Structure	Proposed Wage Structure
Hourly rate 4/11.21	Hourly rate 8/3
Cost of living (variable)	-
Tonnage bonus (variable)	Residual continued
Efficiency 10/- per week	-
Service and Qualifications(variable)	Residual for individuals
Gift hours (days 8 hrs	Shift premiums (days 8 hrs
(back 9.3 hrs	(back 9 hrs
(nights 10.6 hrs	(nights 10 hrs
Overtime, time and a half	Overtime, time and a half
Weekend premiums, time and a half	Weekend premiums, time and a half
and double time	and double time
Rota extra, 21 shift 4.72d	-

Table 4.3 shows that the Corporation aimed at consolidating many elements in the craftsmen's wage structure. They proposed the abolition of the cost of living payment fixed in relation to the monthly index of retail prices. Also, they proposed to abolish the 10/- Efficiency, Service and Qualification payments. The service and educational elements varied with the individual, and an estimated average payment of 24/- per week was to be consolidated for everyone. Thus those paid below 24/- stood to gain, whilst those above were to be 'red circled' until the wage structure caught up. Also, the hourly 'rota extra'(4.72d) paid to 21 shift working craftsmen was to be consolidated,(25) as well as 35/- of the tonnage bonus payment. The tonnage bonus negotiated at district or works level paid no premium as it did with production workers. This was a grievance with the craftsmen, and consolidation would help solve

the dispute. Further, the amount of bonus payment varied between locations, therefore, the consolidation would leave a considerable residual bonus at many works. It was proposed that this should be a fixed amount. The upshot was the establishment of a new hourly rate of 8/3 per hour which was an offer giving a marginal improvement. At this stage, however, the Corporation was holding something back as a negotiating margin.

Another proposal intended to rationalise the premium payments which varied between production and maintenance workers. The craft grades were paid 'gift hours', that is, 9.3 hours for a 2pm to 10pm shift, and 10.6 hours for a 10pm to 6am shift. On the other hand, production workers were paid 8.8 hours and 9.6 hours respectively for these shifts. The history of gift hours was longer. These were introduced because craftsmen in the engineering industry were paid a night premium. The Green Book now proposed the elimination of these differences and the establishment for all manual workers of 9 and 10 hours respectively.

The NCCC had clear policy objectives on wage structure reform, namely a high hourly rate of 10/- per hour, a local productivity bonus, and in the longer run job evaluation. The latter was to meet the craftsmen's long term aspirations to achieve their rightful place in the industry's wage league viz-a-viz the production worker. To this extent the Corporation's objectives seemingly coincided with those of the NCCC. However, when it came to the actual negotiations, the reaction within the craft unions was mixed.

Initially the NCCC was prepared to accept consolidation of the November, 1964 agreement and some other extras, but had reservations on the consolidation of the cost of living bonus and on the tonnage bonus. The NCCC's reluctance to accept an agreement which did not give automatic protection to wages during

inflation is not too difficult to understand. For example, the retail price index indicated a marked increase in the second half of the 1960's, that is, between 1966 and 1969 the average increase was 4.9% per annum compared with 2.3% per annum in the period 1962-64. Moreover, inflation was particularly meaningful to the craftsmen whose hourly rate had not altered since 1965. This fact, coupled to the feeling that craftsmen in steel had fallen behind production workers and craftsmen in ancillary industries, did not predispose them to this proposal. Finally, the pressure within the NCCC not to concede on this issue was strongest from the lower paid areas of the country.

On the tonnage bonus consolidation, reaction amongst craftsmen was again mixed resulting in internal conflict within the NCCC. Some establishments, in particular Shotton in North Wales, but also to some extent Corby in Northamptonshire, resisted certain aspects of the associated MEUMM agreement.(26) Other craftsmen, in works about to introduce technological change, had a vested interest in retaining the looser tonnage bonus system under which it was easier to negotiate higher bonus earnings compared with the new productivity proposals based upon work measurement and planned maintenance systems. These differences amongst craftsmen throughout the country, were based partly on differences between low and high paid areas, and partly on resistance to proposals seen by some as enhancing management's control.

Apparently, these differences were not thought by the NCCC, to be all that significant and were seen as less important than the need to win an overall wage increase. The upshot was an NCCC recommendation to the membership in late 1968 to accept the Corporation's manpower and wage structure proposals in total. At this point the internal conflicts within the NCCC broke out and began to have a marked influence upon the negotiations. As the intensity of rank and file resentment escalated, and became more widespread than in 1967,

the craftsmen at Shotton, in the North East of England, and in Scotland engaged in strike action. The leadership of the rank and file agitation, as happened a year earlier, fell to the Shotton craftsmen, who appeared to lead an unofficial shop steward movement which met at Manchester in March 1969.(27) Subject to this kind of pressure, the NCCC leadership was forced to harden its attitude and demand further concessions, resulting in a deterioration of the bargaining relationship between the parties. As a tactical measure the NCCC withdrew from productivity negotiations (which also meant withdrawing from the local MEUMM negotiations) and reverted to a straight national wage claim. This action was a surprise to the Corporation which thought that the problems with the craft unions had been settled towards the end of 1968.

What then was the reason for this rank and file revolt which was wide spread and not confined simply to high paying versus low paying areas, nor to any specific works? As mentioned previously, the craftsmen's grievance was a long standing one and by the late 1960's, having had no increase in their hourly rate since 1964, their frustration had become acute. Moreover, the phase one productivity agreements, based upon £2 and £3, were considered by some areas as a pittance in relation to the work that was asked in return. Furthermore, the leadership of the NCCC apparently seemed to accept delay. For, in March 1968, the NCCC held a delegate conference and decided to give the Corporation a further three months to answer their claim in the context of wage restructuring. Afterwards the chairman of the NCCC made the following public statement, "We are with them (the Corporation), not in opposition to them".(28) All this is very important in understanding the wide-spread feelings of dissatisfaction amongst the rank and file craftsmen; however, the major conflict arose over the proposal to reduce the shift differential.

This conflict was neither inter-craft, nor inter-occupational, but arose primarily from differential systems of work. The shift craftsmen who made up

some $\frac{1}{3}$ of the craft force saw the proposals as containing very little benefit to them. In fact, in terms of their relative earnings and status, there would be a deterioration. To recall the proposals, the Corporation suggested a reduction in the shift premium from 9.3 and 10.6 to 9 and 10 hours respectively, and the abolition of the 21 shift rota extra payment. That this dissatisfaction was strongly felt, can be seen from the next statement made by a Shotton craftsman at the EETPU's national conference.(29)

'What happens when it comes to national negotiations on rates of pay? Then it seems that the shift differential is one of the first items which is used as part of the bargaining for a higher rate of pay for everyone. When this happens and an all round increase has been finalised, the day men's share is inevitably greater than the shift man and the differential has once again been reduced'

The focus of dissatisfaction was upon wage relativities, but this time within the craft group. Shift premiums were paid to compensate for social inconvenience, and therefore the proposal to reduce them infringed the shift man's idea of justice. Moreover, two other external factors probably had an influence. Firstly, the increasing pace of inflation itself was reducing the value of the 4.72d rota extra (the rota extra was also paid for the social inconvenience of continuous shift work). Secondly, the engineering industry paid time plus one third for night shift, and the proposals were to reduce the steel craftsmen's payment on nights from time plus one third (10.6 hours) to time plus a quarter.

The Corporation and the NCCC failed to give sufficient attention to these developments causing the rank and file craftsmen to resort to unofficial action. For this the Corporation must take some of the blame, because in their desire to secure uniformity in their plans they put pressure upon the leadership of

the craft unions. On the other hand, since the craft unions are democratic bodies accountable to their membership, the leadership should have been aware of this pressure and reflected it on their demands. Why did this not happen sooner?

In the real world, issues are seldom as distinct as the conflict described above; in fact, there were other problems also being resolved at the same time between the higher and the lower paid areas, and over tonnage bonus consolidation. Consequently, the day/shift conflict was diffused as a result of these other tensions and submerged in a wave of general resentment, to be remedied by a wage concession. It required perceptive leadership to pick this issue out and called for sound political judgement to give it priority. A second possible explanation (although purely speculative) was that many of the lay officials participating in the NCCC's decision making processes were day men.(30) Hence the shift man's special interest was given less importance. If this was the case (and it would need to be tested) then the shift men would have little option but to seek a remedy through unofficial action.

Again this illustrates the importance of internal organisational pressures in understanding the total collective bargaining process. Thus AA Blum has noted:(31) 'Moderating internal pressures actually dominates a large part of what we regard as the total process of collective bargaining'. In addition, Walton and McKersie refer to internal fractional conflict, and argue that a leadership faced with this must regain control by committing themselves to one group or another.(32) How then did the NCCC and the Corporation react?

First, the union demanded that the rota extra should be retained, and extended to include two and three shift workers.(33) Second, that the membership should be protected against a rise in the cost of living within

the life span of the agreement. Regarding the first demand, the NCCC committed itself to gaining something extra for the shift men, but interestingly the focus of the argument tended to shift towards the view that craftsmen stood to gain less from the programme than the other unions. Of course, this may have been a move designed to help unite the craftsmen, and thereby consolidate the leaderships' position. In other words, although welcoming the productivity programme and the benefits offered, the NCCC considered that the craftsmen stood to gain less than other workers. For example, the Green Book proposed the extension of the guaranteed week from four to five shifts; but in this continuous working industry the craftsmen benefited less from this than the production workers, the reason being that when production has stopped management take the opportunity to carry out major repairs to the plant.

The Corporation responded sympathetically agreeing to retain the 21 shift rota extra and for the first time to introduce a rota extra for other shift workers. This concession helped the union leadership out of a difficult situation. On the cost of living it was agreed that the NCCC could come back to negotiate further wage compensation if the general price level rose markedly. This understanding was not stated in the agreement but in a national circular, clause 7(a), which followed the agreement.

The upshot of the wage structure negotiations was to bring the hourly rate to 9/4.5, that is, very near to the NCCC's original claim for a 10/- rate. Moreover, the new rate excluded the 21 shift rota extra of 5d, and the 2d for other shift workers. After twelve months a further consolidation of 4.5d (that is, remainder of the service and qualification payments) and the residual rise in the cost of living between March 1969 and 1970 was to take place, giving a rate of 9/11 per hour.

The other major issue of controversy concerned manpower productivity. Management saw work measurement as a means of strengthening their prerogative over the industry's lax manning standards. The Green Book said, 'Management have the right to implement the manning which work study discloses as appropriate'(34) However, the trade unions would be consulted and would have resort to special procedures in the event of disagreement. This clause caused concern amongst the craft unions for two reasons. First, work measurement can signify a shift in control from workers to management and thereby generate feelings of job insecurity. The fact that the rank and file held such fears can be seen from the national officer's statement made at the EETPU's conference,

'One of the things that has been concerning me over these past eighteen months is that I have a feeling at times that some of our shop stewards are chasing shadows and missing the whole substance of this word productivity which has been bandied about so much that it has lost its meaning in some quarters.....Fear and ignorance permeated that debate, because it was fear that they were ignorant of the implications of work study and job evaluation techniques that made them oppose productivity.'(35)

The second cause of concern arose over the programme's aim to reduce the manpower by some 20,000. The craft unions had no formal rights to regulate jointly with management the maintenance manning. However, productivity bargaining heightened the craft unions' concern to protect their members interests. Aware of shop steward feeling on the issue the NCCC's response was to demand safeguards. Thus the NCCC accepted the BSC's proposal to establish a separate procedure to deal with work study disputes, but insisted on the inclusion of independent experts. Hence craftsmen who objected to BSC work study findings could call in an independent party with authority to conduct their own investigation. These experts were to submit their findings

to the parties for further consideration. Clause 13 of the agreement states;(36)

'Where there is a disagreement between the findings of an independent expert and management's plans these will be reconsidered by both parties. When there is agreement the plans will be put into effect'

This innovation not only extended procedural differentiation, but also introduced a limited form of status quo. Clause 12 explicitly states,

'Manning or methods of working not being fully agreed may nevertheless be proceeded with provided that there is provisional agreement over these plans'

Both these clauses aimed at reducing the suspicions of local craftsmen and at helping to solve a difficult situation which otherwise might be deadlocked. For instance, if the independent investigator's findings agreed with those of management the union had no argument. However, if they disagreed with management's findings, then the plans would not go into effect until a local agreement was achieved. Presumably, the independent expert's results would modify management's own findings and make a settlement easier.

This concludes the craft unions' negotiations with the Corporation which highlighted the two major aspects of controversy, namely, on wage structure reform and manpower productivity. On both counts the NCCC altered the Corporation's initial plans. To complete the picture the undernoted all refer to the main points of the agreement.

The general aims of the strategy were accepted by the NCCC, that is, a highly efficient labour force to meet works' operating needs, a more effective and more equitable wage structure, and conditions of employment which would provide greater security and stability of earnings. In addition, the NCCC agreed to enter into multi-union negotiations on issues common to all manual

workers. This was a formal affirmation of the understanding the Corporation had sought from the Steel Committee. Guidelines were also agreed covering the formulation of works' productivity plans to be concluded according to certain principles. These included,

- (A) Priorities for work study programmes.
- (B) Targets for manning reductions
- (C) Estimation of wage cost savings.
- (D) Payments to be related to circumstances where jobs have changed resulting in improved standards of performance.
- (E) No payments to be made in advance of implementing changes in manning and working methods, and phasing-in of payments to coincide with planned stages of change.

The fixed residual tonnage bonus was to be incorporated into local productivity agreements. In addition, the NCCC undertook to investigate with the Corporation the possibilities of applying job evaluation. A Joint Monitoring Committee was to be established to review and to implement the programme. Moreover, the agreement took the form of a fixed three year term, the first of its kind in the industry.

Negotiations: The Iron and Steel Trades Confederation

Again the analysis deals with points of controversy between the parties, such as wage structure problems and aspects of manpower productivity. Also, the BSC's tactics are identified and the union's attitudes and reactions to these explained. Also, mention will be made of other, non-controversial, but nevertheless important features of the agreement.

The Confederation (like the craft unions) welcomed the productivity programme as a radical departure from anything done previously by the industry's management. There was no serious problem within the union over

accepting work measurement, productivity bargaining etc. The union had already accepted and helped implement such techniques at Port Talbot in South Wales.(37) Also, many proposals contained in the programme had been the subject of claims by the union, although these had been resisted by the old employers' association. For example, the union had submitted claims to improve the guaranteed week and in 1965 claimed an annual guaranteed wage.(38) Moreover, the Corporation designed the programme to meet the needs of the Confederation, and thereby to induce the industry's most powerful union to accept. This conformed to the traditional pattern of management-union relationships which had so upset the NCCC in 1956. Therefore, management was rather surprised when the Confederation did not respond quickly and positively to their initiative.

The general reasons behind the union's slow response have been investigated above and need not be repeated here in detail. Briefly it was due to a combination of the union's perceptions of its status viz-a-viz the other unions, and the recognition dispute which soaked up energy, and to some extent embittered relationships with the Corporation.

At a more detailed level, the Confederation expressed concern about some of the proposals in the programme and flatly disagreed with one or two of them. In May 1969, the parties agreed to set up a joint working party to discuss the proposals in detail. This took the programme out of the normal machinery of negotiation, where one party tends to seek a gain at the expense of the other, into a setting with greater problem solving potential. In addition, the union's Central Negotiating Committee was large and not suitable for discussing the detail of a complex document like the Green Book. The working party, which consisted of four representatives of both management and the union, allowed the parties to explore areas of agreement and to define

more clearly areas of disagreement to be resolved through the negotiating channel. Furthermore, problem solving was made easier in a setting where no hard and fast commitment was required prior to the actual negotiations. This was important to the union which had to report back to the Central Negotiating Committee. Hence, once started this innovation undoubtedly speeded up the productivity bargaining process. In other words, the Corporation and Confederation approach to the problem was more akin to what has been called by Walton and McKersie, 'integrative bargaining'. (39) and (40)

However, there were still differences between the parties of which the following analysis identifies four. First, the controversy over wage structure reform; second, the issue of management prerogative; third, the proposal to create new works level institutions to reform collective bargaining; and fourth, the disagreement over the cash settlement. An examination of these shows the union's attitudes and attempts at modifying management's strategy.

On wage structure reform the programme proposed to consolidate the cost of living payment, improve premium payments, eliminate certain inconsistencies in over-time payments, and also that the tonnage bonus should not be more than 25% of total shift earnings at normal outputs. The main dispute arose over the cost of living consolidation, with the strongest feelings expressed by the Scottish area.(41)

'We therefore call on our national negotiators to
reject the above proposals and demand a continuation
of the cost of living agreement and the retention of
full negotiating rights on all questions'

Scotland, as a lower paid area benefited from the flat cost of living payment, which gave a proportionately larger increase to the lower paid in a period of inflation. Yet another factor was the country-wide concern in the

media and elsewhere over possible entry into the European Economic Community. This held implications of higher food prices under the common agricultural policy. Again, the Scottish attitude can be understood in the light of the fact that lower income groups spend a higher proportion of their incomes on food. The Confederation had to take account of this pressure to protect its lower paid members.

The Corporation anticipated this issue, partly for the reasons mentioned earlier and partly from their experience of the craftsmen's negotiations. Consequently, BSC gave the union an assurance, that if the cost of living were to rise significantly during the period of the agreement, the union would have the right to reopen negotiations.(42) Further, because the labouring grades would be hardest hit, the Corporation was prepared to negotiate a 'lower paid workers agreement' to give extra protection to this grade. This latter agreement was to be outside the costing of the programme itself.

Secondly, the Confederation baulked at the proposal to increase management's prerogative to implement manning arrangements when work measurement found them to be appropriate. On this question the rank and file were outspoken. Thus Area Committee No1 stated:

'This Area Committee notes with approval some of the proposals contained in the BSC productivity programme but it is particularly opposed to the following: Clause 8(c) on page 10, which suggests that management must have the right to alter manning as the results of work study indicates'

On this issue the Confederation's position differed from that of the craftsmen. In this instance the BSC were attempting to take away from ISTC an established right to regulate manning standards jointly. As a result, the

union refused to accept the Green Book proposal, although they did accept that a wide spread use of work measurement created a new situation. Hence within the working party, the Confederation proposed that manning disputes should be dealt with by a joint management/union committee, that is, by joint regulation. Management thought this would create an obstacle to change and favoured the solution adopted previously by the NCCG, namely the establishment of a separate procedure with the incorporation of independent experts at the request of the union. In this way the Corporation obtained a greater commitment to work measurement by placating the fears of the union, whereas the union secured a limited status quo.

Management also attempted to extend its influence over the seniority rule and the transfer of labour. On promotion by seniority the Corporation wished to ease certain restrictions imposed unilaterally by the union. These problems included the length of the promotion lines, and also people disinclined to accept further promotion.(43) Seniority creates a number of problems for management who prefer promotion on the basis of competence. For instance, a management harbouring doubts about a person's suitability for a top job (such as mill rollerman), will be forced to challenge the seniority rule as the promotion may adversely affect production. In this way a conflict can arise between management and union, especially as the latter perceive the seniority rule as protection against management's interpretation of what constitutes competence. The "sticker" problem arises where a man for one reason or another refuses to accept further promotion, or is prevented from doing so by management. As a result some promotion lines, with the passage of time, can contain three or four stickers which largely eliminates promotion for those lower down.

A similar problem existed in the transfer of workers between sections of a works or between different works. A seniority system, geared to specific production units, can mean that men doing senior jobs in one unit can be faced with redundancy (due to a trade recession) whilst less experienced workers remain employed in another unit. Alternatively, the senior worker if redeployed to another unit of plant will lose seniority. This loss of skill to the industry was likely to grow with the rationalisation programme.

Within the working party management proposed greater flexibility and transferability between promotion lines; also, that alternative channels should be found for those men disinclined to take further promotion. The Confederation's representatives responded by suggesting that management's proposals could be partly met if new entrants to the industry were classed as temporary employees for a period of two years. This would be to the advantage of longer serving employees who on transfer to a new unit would automatically carry two years seniority. However, along with this offer, the union wanted management to establish a post-entry closed shop, for the seniority rule gave the union a measure of control over the membership which it did not wish to have weakened.

The outcome of the joint working party discussions, and the negotiations which followed, was an agreement improving the transfer of labour, including the provision for promotion crossover points and for displaced workers to carry seniority between works. On the closed shop, at national level, the union achieved no advance, merely an agreement to retain the status quo.

Yet another area where the Corporation sought more flexibility was in the extended working week agreement. In the mills the normal working week was 17 shifts, as opposed to 20 or 21 shifts in the iron and steel making process proper. Under this agreement management, when the circumstances required,

sought permission of the union's head office to extend the working week for anything up to 21 shifts. The Corporation believed that, in certain market situations, efficiency could be increased, if local management were able to change quickly the working week by simply consulting with the local union branch.(44) This proposal caused the union some concern as it was likely to increase the insecurity of their members earnings. Under the existing procedure management only sought to extend the working week if the arrangement would last for some time. This pressure was removed by the new proposal and might encourage local management to change working hours by the week.

A solution was agreed which allowed the parties to achieve their aims; that is, it was decided that management must seek the union's agreement to extend the working week, but that the authority to grant permission, would be devolved from head office to the divisional office level. This change would speed up the procedure.

The third problem concerned the creation of new institutions at works level to implement the local productivity agreements. This was not mentioned in the Green Book, but it was necessary to achieve the benefits of demanning, work reorganisation, increased labour mobility and other changes. However, it was a central feature within the joint working party.

The Corporation proposed to draw up overall "works plans" to establish appropriate manning levels, to decide work measurement priorities, to cost and work out savings and to monitor their implementation. In initiating these plans local management were to consult with the various union branches, and the following guideline was to be pursued.

'The Corporation hold the view that, where not already established, joint branch meetings with management be introduced on matters of common interest to the various branches'(45)

To tackle this problem the Corporation submitted a number of alternatives to union representatives on the working party. These were,(46)

'A joint committee of all branches within a works.
A joint committee of branches in departments within a works, for example melting shops, mills etc.
Joint committee of branches in similar processes covering more than one works in an area, for instance, all melting shops'

Management preferred the first alternative as the most appropriate to provide a system of consultation, and possibly negotiation, and also to monitor the progress of a work's productivity agreement. It is important to note however that the whole approach was open ended and essentially problem orientated. In other words, the union was not being pressed to change its constitution to provide for multi-branch works-wide negotiations.

How did the Confederation respond to these proposals? Of the three approaches the union thought the second the most practical and thus likely to have the best chance of achievement. Given the multi-branch structure (referred to in Chapter Three, page 65) any works-wide plan to share savings stood a better chance of being accepted by the branches on a departmental basis.(47) Thus the Confederation were reluctant to agree to any radical change in the collective bargaining structure, and favoured a voluntary development where local branches were prepared to accept it. Such a development had taken place at Clydesdale Works in Scotland. Therefore, the ISTC was not prepared to curtail branch autonomy, but adopted an enabling attitude. The final agreement put the matter as follows,(48)

'In order to ensure effective joint consultation at local level it is agreed that formal bodies consisting of representatives of local management and the joint branches should be set up. The object of such bodies should be to provide a comprehensive and effective means for the examination of overall and separate works plans and their subsequent progress. The exact composition of such bodies should be a matter for local determination.....'

This national agreement on works institutional reform was vague and lacking in precision, but probably reflected the reality of power within the union. What resulted from the agreement would depend upon the effort and commitment of the local parties.

The final controversy between the parties concerned the cash settlement. The joint working party completed its report on 12th August, 1969, and on 26th August the Central Negotiating Committee met the Corporation. At the meeting management presented a document based upon the working party report. The meeting did not go smoothly, and the Corporation offered to modify some points in the document; but it was on the money that the sticking point came. The Corporation's final offer was 4/- per shift paid retroactively to 1st June, and a further 2/6 per shift as from 1st March, 1970. The offer (said to be the best ever made at national level) granted over the period of the agreement £2.10.4 to the 21 shift rota worker on £20 per week, and £2.14.7 to the same worker on £30 per week.(49) Nevertheless, a majority of the Central Negotiating Committee rejected the offer.

What caused the negotiating committee to be so difficult? Was it just that not enough money was being offered, or was there some other factor at work? The status of the committee had diminished, as most of the important

decisions were made within the joint working party. The probability of some resentment on the part of the committee's members was therefore high. Moreover, they were excluded not only from the wage structure and manpower productivity decisions, but also from the employment and income security aspects, which were negotiated through the Steel Committee. This body at the time was confined to full-time officials. The national negotiating committee's reactions, therefore, in demanding further cash concessions, was the only avenue left to the committee to fulfill a useful purpose. This reflects a weakness in the decision to set up a joint working party, which may enhance problem solving, but fail to secure full commitment to decisions.

The rejection of the wage offer caused a backlash within the union. First, from the branches, the general secretary reported receiving,(50) 'a large number of letters, most of which were critical of the decision to reject BSC's offer'. Second, the Executive Council instructed the general secretary to reconvene the Central Negotiating Committee and to resume negotiations.(51) In addition, the Executive advised that if the committee failed to secure an improved offer then the previous one be accepted. On reconvening, the negotiating committee failed to secure further concessions, and as a result the employer's last offer was accepted on 27th November, 1969.

Having dealt with the controversial aspects of the Confederation's negotiations all that remains is to record features of the agreement which although important were not controversial. These included,

- (A) Agreement on the three main objectives, namely to improve efficiency, reform the wage structure, and increase the status and security of employees.
- (B) Also, the Confederation agreed to enter into multi-union negotiations on aspects of the programme common to all manual workers.

- (C) Agreed guidelines for the conduct of local productivity bargaining such as wage increases to be related to job changes resulting in higher performance, no payments to be made in advance of implementing manning changes and the introduction of new methods. The needs of those made redundant or redeployed to be taken into account.
- (D) Agreement to jointly participate with management and the other unions in a joint working party on job evaluation to produce a scheme as quickly as possible.
- (E) Set up a National Joint Committee to stimulate and monitor the progress of the programme.
- (F) The agreement was for a three year fixed term. Also, the terminal dates of both the NCCC and the ISTC agreements were to fall at the same time. The Corporation's aim being to minimise the opportunities available for unions to leapfrog on wages.

Negotiations: The Trade Union Steel Industry Consultative Committee

Negotiations between the Corporation and the Steel Committee led to the collective agreement on employment and income security dated 15th December, 1969. Given the past intensity of inter-union rivalry this was an important advance for the industry. Of course, multi-union negotiations had been a major element in the Corporation's strategy, and one tactic for achieving this was to set up joint working parties. The benefits to be derived from this approach have been discussed above in connection with the Confederation's negotiations. However, the problem solving approach associated with the working parties was more likely to be successful on items like improving the guaranteed week, redeployment compensation, pensions, and so on. This was due to the fact that such issues gave both parties greater satisfaction; they gave union members greater job security and management a more flexible and mobile labour force. Walton and McKersie have written:(52) 'To quote a

participant in the human relations committee in steel..... the joint approach is least effective when applied to wages, very useful on fringes, and has its greatest future promise on job security issues'.

Another interesting feature was that the negotiations were handled on the union side by the full-time officials of the Steel Committee without the participation of lay representatives. None of the unions had given the Steel Committee formal authority to negotiate on their behalf, and so bypass normal negotiating procedures. It would appear that in the changing circumstances of the period there was a pragmatic response by union leaders resulting in an informal, initially ad hoc, negotiating function. Almost certainly if the Steel Committee had tried to obtain authority by formally seeking the permission of the respective union executives it is doubtful if the union response would have been quick enough,(53) and indeed whether multi-union negotiations would ever have commenced. Also, the development was unlikely to meet serious resistance as this would have meant union members foregoing (at least for a time) significant benefits. Only the very brave, or the procedurally pedantic, therefore, were likely to object. However, as shown previously there were obvious tensions within the Confederation's negotiating committee which probably arose from this development. In addition, due to limited representation, several craft unions including the EETPU had no representative on the committee at this time. This limited representation and in particular the absence of lay representatives was likely to cause problems in the longer run.(54)

The background to the negotiations concerned the Steel Committee's reception of the productivity programme in May, 1968, and the Committee's own document of September, 1968 drawn up by the TUC Secretariat.(55) The unions' effort reflected the seriousness and urgency attached to the

rationalisation programme. Their document devoted most of its attention to limiting redundancies and to ensuring adequate compensation. Also, it represented the Steel Committee's formal negotiating position. On redundancy it urged the BSC to limit the use of contractors to work which could not be undertaken by the Corporation's own employees. Information on sub-contractors was to be disclosed to the unions. Recruitment was to be restricted and the rate of natural wastage accelerated with voluntary severance pay. Provision was to be made for the redeployment of workers within the Corporation and for increased co-operation between BSC and other private and public companies, including government agencies. The TUC document also emphasized the need to work out agreed redundancy criteria. The unions favoured the "last in, first out" principle, but were prepared to consider other factors such as skill. Income maintenance payments should be made to the redundant and to workers transferred within the Corporation. The Steel Committee claimed terms that were as advanced as the most favourable established in coal mining and the railways.

The union document was more comprehensive and explicit on a number of items than the productivity programme. On redundancy the Green Book merely referred to the need for jointly agreed redundancy procedures and made no mention of severance pay. Presumably the Corporation considered it either a bad tactic to mention the principle of payment (although they did in other respects), or that the Redundancy Payment Act provided sufficient compensation. On the income maintenance side the Green Book was more forthcoming, and the parties were at one in principle. The Corporation's proposals were:

'Demotion within a promotion line: first 13 weeks at 80% followed by 60% for a further 13 weeks of the difference between the new job and the loss in shift earnings.

Redeployment to another job outwith the workers own promotion line: first 13 weeks at 80%, second at 60%, third at 40%

followed by a fourth 13 weeks at 20% of the difference between the new job and loss in shift earnings'.

However, the Green Book was silent on cost incurred by the worker in transferring to another works. These costs included travelling time, lodging allowances, and removal and resettlement expenses.

Again, on the proposal to extend the guaranteed week there was no issue of principle between the parties.

Before dealing with the negotiations two preliminary points may be of help in understanding the analysis. First, although the steel unions drew up proposals which in some respects were more comprehensive, it would be a mistake to see the unions as initiating a new strategy. The Steel Committee's proposals were a reaction to the Corporation's overall strategy as contained in the programme. Second, the steel unions were helped by the TUC Secretariat who fed in information from other industries who had tackled similar problems. This is not to say that without the TUC Secretariat the steel unions would not have pressed for these benefits. Changes in environmental factors such as rising unemployment, rising membership expectations, and entry into the european community were all working in the direction of heightening trade union awareness. Nevertheless, the direct institutional involvement of Congress House staff for the first time ever in the negotiations of the steel unions acted as a mechanism for the transmission of ideas and facts from one industrial sector to another. This illustration moreover adds credibility to the argument (see Chapter Three page 53) that the TUC Secretariat was a force helping to promote unity within the Steel Committee.

The working party on employment and income security held four meetings and quickly reached agreement on major points of principle. It decided to

go beyond the Green Book proposals and recommend severance payments in addition to the employees entitlement under the Redundancy Payments Act. They recommended a 20% lump sum payment, but left the actual amount to be decided in negotiations between the Steel Committee and the Corporation. In negotiations the Corporation proposed differential payments between regions of the country geared to unemployment levels.(56) This offer was also calculated to concentrate larger payments in areas where works closures were heaviest. However, the unions rejected the offer in favour of uniform payments to all redundant workers in the industry. Such proposals would have put the Steel Committee leadership in an impossible position viz-a-viz redundant workers outside the designated areas. Consequently, the principle of a uniform payment was agreed.

In the negotiations proper the Steel Committee argued that the 20% was not in line with that paid in coal mining. The Corporation were not impressed and pointed out that coal mining was a special case supported directly by government funds.(57) In the end the Corporation agreed to pay 25% in addition to the Redundancy Payment Act entitlement. Nevertheless, the Steel Committee felt that they had climbed down as the following statement shows:(58)

'It is true we got 25% in excess of the Redundancy Payments Act and the reason why we accepted 25% was that already some closures had taken place and we had no time to start arguing about percentages when members had lost their jobs'

On redeployment the unions wanted one uniform tapered scale of payments, and this was agreed. Disagreement developed over the cash compensation, with the unions claiming the first eight weeks at 100% make up to be reduced in accordance with the productivity programme proposals. Again the

Corporation were pushed up, finally agreeing to extend the income maintenance period from 52 weeks to 60 weeks.

The final area of dispute arose over the proposal to extend the guaranteed week from four to five shifts at 75% of shift earnings, excluding premiums. The 75% was derived from the Green Book guideline dividing shift earnings into 75% time rate and 25% tonnage bonus. The Steel Committee wanted the guarantee raised to 80%. The Corporation initially resisted arguing that the 80% guarantee would discourage workers on high bonuses from moving towards the guideline, but under pressure conceded the 80%, rationalising that it was in line with the programme's total philosophy to increase the stability of earnings. Thus the unions achieved the best of both worlds with an 80% fall back rate in the event of low outputs and a 25% bonus element during periods of high output.

Another problem to arise over the guaranteed week resulted in a delay in the signing of the agreement. The clause reads as follows:

'Clause 5, The guarantee shall not apply in the following cases:-

- (i) On cessation or dislocation of production or employment arising in respect of any strike affecting the operation of the plant'

Before the agreement could be signed this clause was disputed in Scotland where a strike developed at one of the Corporation's works which supplied a second steel works. The latter works had to stop production and local management refused to apply the guaranteed week agreement. The Steel Committee argued that management's action was only justified if the strike had occurred within the works concerned. Deadlock ensued, and was only resolved by an informal understanding contained in a 'Points for Guidance' document issued to local management.(59) This merely said that in applying clause 5(i),

local management shall not make a precipitant decision, and that adequate prior consultation and notice should be given on the need to suspend production. The Steel Committee apparently found this form of words acceptable, although it would seem that the Corporation in no way diluted the formal agreement.

This completes the controversial aspects of the employment and income security negotiations, although other agreements were made on lodging, travelling allowances and so on. On the question of notifying the unions on works closures, a procedure was agreed between the Steel Committee and the Corporation. Furthermore, the Steel Committee continued to negotiate on other issues proposed in the Green Book which included, a new holiday with pay agreement; also working parties were set up and agreements subsequently concluded on sick pay and pensions. The latter two items were delayed for a time due to proposed government legislation on pensions.

By 1975 the one significant item outstanding, and therefore, well outside the productivity programme's time schedule, was job evaluation. The Corporation eventually decided on the Urwick Orr profile method as appropriate to the steel industry. Subsequently, a job evaluation pilot scheme was commenced at Normandy Park Works, Scunthorpe, with the agreement of the Steel Committee unions. However, the results proved unacceptable to the NUBF, who argued that the factor weightings were wrong as they did not give sufficient weight to hazards, and physical effort. Clearly, this type of problem will remain so long as the unions cannot agree a criteria. In addition, job evaluation for manual workers might prove a costly exercise.

Summary and Conclusions

This chapter identified three major productivity agreements through which management attempted to achieve an improvement in labour productivity.

The first of these was the 40 hour week for shift production workers to be implemented at no extra cost to the industry. It was concluded that this agreement was due to the intervention of Prices and Incomes Policy.

The maintenance productivity agreements were launched by the old employers' association in 1967. However, the local negotiations, with the exception of south Yorkshire, were caught up in the rising tide of labour unrest amongst the craftsmen towards the end of 1967. The unrest, which also spilled over into the national productivity programme discussions, led to the imposition of sanctions and to delays in local productivity discussions. This unrest reflected the decline in the steel craftsmen's and production workers' wage relative to that paid in engineering and shipbuilding.

The third productivity agreement concerned the Corporation's national productivity programme. The programme's strategy was to improve manpower efficiency, and also to secure a greater degree of orderliness in industrial relations. Regarding efficiency, the proposals aimed at a reduction in manpower with higher levels of output through the use of work measurement, planned maintenance systems, works productivity plans and similar changes. The Corporation attempted to achieve the unilateral right to implement the manning found by work study to be appropriate. This was perceived by the unions as a threat, and was resisted. In the end the unions accepted a limited status quo agreement.

Wage structure reform was another source of conflict between the parties, with both the NCCC and the Confederation reluctant to consolidate the cost of living payment. This agreement gave a measure of protection to the lower paid in an era of increasing inflation. Agreement was reached when the BSC offered to negotiate a lower paid workers' agreement outside the programme, and gave the unions an undertaking that should inflation rise significantly, further negotiations would take place. The Corporation hoped that a more uniform wage structure would reduce inter-union wage leapfrogging and improve internal works labour mobility.

The programme also made proposals for employment and income security aimed at reducing trade union resistance to the Corporation's rationalisation programme. The Steel Committee reacted favourably to these proposals and achieved a more comprehensive package than that offered by the Green Book.

A further point of interest is the first multi-union negotiations leading to a national collective agreement in steel. In September, 1968, the Corporation achieved an understanding with the Steel Committee that the unions would negotiate jointly on employment and income security issues, but separately on wages and productivity elements.

The Corporation also tried to change the collective bargaining institutions at works level, by joint branch negotiations on works productivity plans. However, the Confederation's national agreement on this issue was considered vague and left much scope for local agreement. In addition, the Corporation made use of the joint working party approach which assisted factual discussion and a more problem solving orientation, but the union response varied. The NCCC's negotiations focused on the level of cash settlement reflecting membership pressure to obtain an immediate wage advance. On

the other hand, the Confederation co-operated in a joint working party to pursue the problems and issues involved.

The importance of conflict within the unions came out most clearly when in 1968 the NCCC leadership informed the Corporation that the agreement which they had recommended to their members was not acceptable, and that they were substituting a straight wage claim and other demands. Thus the NCCC leadership claimed £8.20 per week, plus extra shift payments. This claim was designed partly to regain their control over the unofficial shop steward movement.

Internal union conflict and its influence on bargaining was also evident in the opposition of the low paid members of the Confederation to the abolition of the cost of living bonus which led to the lower paid workers' award. Yet another source of conflict arose between the Central Negotiating Committee and the joint working parties when the latter undermined the negotiating function of the former. This caused the negotiating committee to develop a hard bargaining attitude in the final negotiations.

Finally these productivity agreements can only be fully judged by works level investigation. The study now turns to such investigations at the Corby and Ravenscraig Works.

References

- (1) Walton and McKersie, A Behavioural Theory of Labour Negotiations, page 290
- (2) BSC, document 2A/9 Confederation, clause one
- (3) Industrial Court Award, 3196, para 19
- (4) TUC Reports, 1960 and 1969
- (5) ISTEA, op cit, 1967
- (6) ISTEA, op cit, 1966, para 74. The 1966 document was confined to management
- (7) HA Turner, Trade Union Growth Structure and Policy, Turner calls unions like the AUEW 'aristocracies' because the craft section dominates the union.
- (8) NJTUISC, Handbook, September, 1949
- (9) Industrial Court Award, 2229
- (10) During the 1950's and 1960s' tonnage bonus continued to be negotiated at district level.
- (11) E Owen Smith, Productivity Bargaining - A Case Study in the Steel Industry Chapter 6. The Steel Company of Wales withdrew from the employers' association in 1957 and initiated productivity bargaining discussions in 1964.
- (12) NCCC, op cit, April 1967, pages 5 and 6
- (13) It is interesting to speculate that the craft trade union leaders may have had a feel for the shift in power to the shop floor and the need to formalise bargaining at that level. This explanation was subsequently articulated by the Donovan Commission in its report of 1968. However, there was no conscious NCCC policy for a move in this direction. Secondly, a further possible explanation was the change in the leadership of the main craft union with Lord Carron's retirement in 1968 and his replacement by Hugh Scanlon. Mr Scanlon expressed a belief in a grass roots philosophy. This explanation was even less likely however, because the major leader in charge of the steel industry was John Boyd, a disciple of Lord Carron. As a consequence the most fruitful explanation must be the craft union's acceptance of the Association's proposals for the very pragmatic reason of furthering their own wage and status objectives.
- (14) An example was the Memorandum of Agreement between BSC and the Scunthorpe Allied Trades Committee, May 1970.
- (15) AR Prest and DJ Coppock, UK Economy, table A-12

- (16) Walton and McKersie, op cit, page 287
- (17) BSC, private documents
- (18) TUC Report 1969, page 452
- (19) EETPU, Iron and Steel Industry National Conference Report, page 7
- (20) WG Runciman, Relative Deprivation and Social Justice, page 12
- (21) EETPU, op cit, pages 41 and 42
- (22) BSC, private papers, letter dated 21/8/68
- (23) ISTC, quarterly report, March 1969, page 158
- (24) TUC, Employment and Income Security document
- (25) A word of explanation on the industry's shift pattern of working would seem appropriate at this stage. Shift systems arise in steel due to the heavy capital expenditure involved, and therefore for the need to secure economies of scale through the maximum utilisation of equipment. Consequently about $\frac{2}{3}$ of all production and $\frac{1}{3}$ of all maintenance jobs are manned on a continuous rotating shift basis, with each man working 5 or 6 shifts with a day or two days off per week. Because the shift rotas are continuous days off fall on various days of the week, however, over the length of the rota (usually 13 weeks) each man works the average standard hourly week.
- (26) In fact, the MEUMM applied only to the Tube Works at Corby.
- (27) Financial Times, March 1969
- (28) Ibid, 23rd March 1968, page 17
- (29) EETPU, op cit, page 13
- (30) The underlying assumption is that the shift man's involvement in union government is lower due to the disruptive influence of shift working.
- (31) AA Blum, Collective Bargaining, Ritual or Reality?, Harvard Business Review Vol 39, 1961
- (32) Walton and McKersie, op cit, chapter 8, part 2
- (33) In steel two and three shift working involves the manning of jobs for 15 to 17 shifts per week, but excludes weekends.
- (34) BSC, op cit, page 10, para 8(c)
- (35) BSC, EETPU op cit, May 1970, page 6.
- (36) BSC, TUR/124/69
- (37) E Owen Smith, op cit, Chapter 6

- (38) Production workers could be laid off for a number of reasons including shortages of raw materials, mechanical breakdowns, strikes in other units of plant, and trade recessions.
- (39) Walton and McKersie, op cit, Chapters 2 and 5. Integrative bargaining is concerned with problem solving based upon sharing information for the parties mutual benefit as opposed to distributive bargaining concerned with issues where one party gains additional satisfaction at the others expense.
- (40) PD Anthony, The Conduct of Industrial Relations, page 28. Anthony talks of managers circumventing collective bargaining to avoid the hostility which pervades discussions within it.
- (41) ISTC, Area Committee Reports, Quarterly Report, April 1969
- (42) This subsequently happened in 1971, when a 'topping up' wage increase was agreed at £1.60 per week for 40 hours worked.
- (43) For an explanation of promotion lines in steel, see Chapter 3 page 71 reference (48)
- (44) Productivity Programme, op cit, page 7, clause 2(b)
- (45) BSC, Report of Joint Working Party TUR/295/69
- (46) Ibid
- (47) This could mean two or three branches sharing savings compared to say twenty.
- (48) BSC, National Productivity Agreement, November 1969 clause 9
- (49) BSC private document, The percentage over two years, ie., 4/- and 2/6 per shift, gave a total increase of £1.12.6 or 8.2% at 40 hours, at £20 per week. The shift worker with premiums received 12.6%.
- (50) ISTC, op cit 1969, page 296
- (51) Ibid, page 197
- (52) Walton and McKersie, op cit, page 129
- (53) PD Anthony, op cit, page 8. Anthony makes a similar point when he states that there is no certainty that goals are determined in industrial relations with any precision and their vagueness may partly result from the constraints.
- (54) This was eventually sorted out when the Steel Committee was reconstituted in 1977.
- (55) TUC document, 17th July, 1968
- (56) Report of the Joint Working Party on Employment and Income Security, para 13.
- (57) Coal Industry Act, 1967

- (58) EETPU, National Conference for Steel, 1970. Also, TUC Report, 1969
page 452
- (59) BSC, Employment and Income Security Agreement, Points for Guidance,
Clause 2(j)

Chapter Five

Industrial Relations at Corby Steel and Tube Works, 1964-70

This Chapter analyses industrial relations in the Corby Works during the period immediately prior to the introduction of the Corby-Wide Productivity Programme. The Corby-Wide Productivity Programme (CWPP) is the subject of the next Chapter. This Chapter commences with a brief outline of the product market, technology, labour market and community at Corby. A second part deals with the traditional system of industrial relations at the works, namely management and trade union organisations, and their collective bargaining arrangements. The third part identifies the development of productivity bargaining, which is then analysed in some depth owing to its significance for the subsequent Corby productivity programme. The fourth part of the chapter evaluates the productivity agreements of this period, indicating the lessons to be learned. Finally, hypotheses are developed which help to explain the changes in industrial relations in more abstract terms including the different forms of productivity agreement adopted by the parties to implement this change.

Part One, The Corby Environment

In the middle 1930s Stewart and Lloyds Limited put down the Corby Works on the iron stone fields of Northamptonshire. Today, there are some 11,000 employees on the Corby site, and until very recently Corby was virtually a one company town.⁽¹⁾ Consequently, the town's prosperity was and continues to be closely tied to the success of the company.

Corby produces steel tube and the works has a capacity to make nearly one million tonnes of this per annum. Output is divided into commercial and

quality tubes with the former accounting for 850,000 tonnes. The product market is very competitive. Domestic competition comes largely from Tube Investments and from imports from India, Korea and Japan. In addition, Corby tube is in competition with other products such as concrete and plastics.

On the commercial tube side, gasless and scaffolding tubes (400,000 tonnes per annum) and special hollow sections (300,000 tonnes per annum) constitute most of the production. The market demand for gasless and scaffolding tube fluctuates markedly, and follows closely the general business cycle. Capital goods industries such as shipbuilding, heating and ventilating, and building consume 34% of gasless tube production alone. The marketing strategy developed at Corby to ease these ups and downs in demand has been to switch output into export markets during trade recessions. In recent years, however, this strategy has been less successful because any general trade recession has tended increasingly to hit all tube producing countries at the same time. As competition in export markets has increased, Corby management have become more cost conscious and aware of the need to avoid disruptive industrial disputes.

On the quality side of the tube market, 30% of output is sold directly to export markets, again with increasing difficulties. The domestic demand for quality tube is heavily influenced by the level of public expenditure, which again fluctuates markedly.

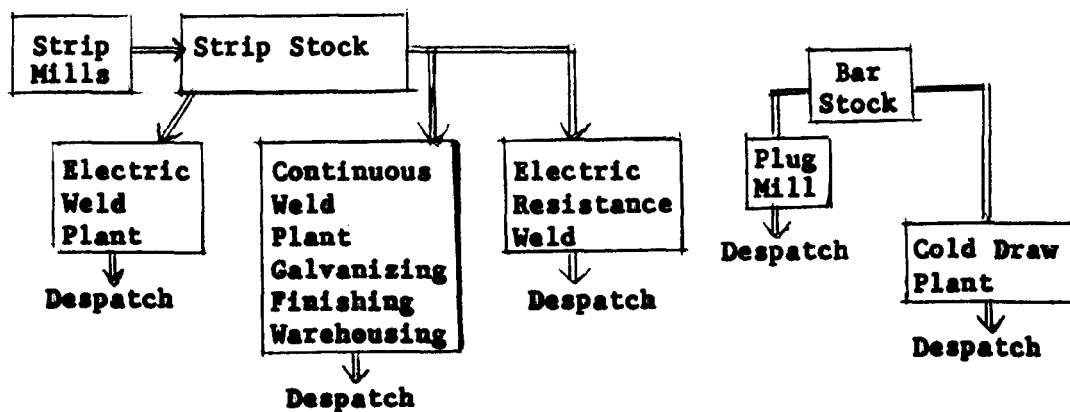
The technology at Corby consists of three main production processes. These are mineral, iron and steel, and tube production. In the mineral works iron stone is quarried and some three million tonnes per annum supplied to the blast furnace department for smelting into iron. Corby iron stone contains between 28% and 32% iron which is less rich than the foreign ores imported. The iron and steel works is much more complex and consists of

several sub-production units, namely the coke ovens, four blast furnaces, two electric arc furnaces, and three basic oxygen vessels for steel making; in the mills there is a heavy cogging mill, and two narrow gauge strip mills. These strip mills provide the input material from which the tubes are shaped. The strip mills have a combined capacity of over one million tonnes per annum. The above processes are highly integrated from the preparation of iron ore through to the strip for tube making.

The tube works technology, however, consists of a discrete variety of production units. The following diagram helps to explain these:

Diagram 5.1

Corby Tube Works, Production Process



Of these production units the continuous weld plant is the most important with four mills producing 600,000 tonnes per annum. Of this 600,000 tonnes, roughly one third of tubes go to the galvanizing plant for finishing. The electric weld plant produces 250,000 tonnes per annum. The electric resistance weld plant and plug mill produce much smaller, but higher quality tubes both making 50,000 tonnes each. The cold draw plant receives 15,000 tonnes from the plug mill for finishing.

Given this relatively new integrated technology, at least by British steel works standards,(2) and its new location on the iron fields, Corby obtained considerable economic advantages during the 1950s. These advantages, however, were threatened in the 1960s by changes in the wider technological context. These changes(3) took place in shipbuilding where the construction of larger capacity ships allowed the transport costs of foreign(richer) iron ore to fall. So significant was this change that the industry's strategy(4) adopted in the middle to late 1960s was to develop larger coastal works using foreign iron ores. This development represented a threat to the inland located Corby, and in particular to the mineral and iron and steel works sections. Whereas the tube works obtained a measure of protection from its uniqueness as a tube maker in Britain, this protection was not available to the steel works. The fear was that strip steel could be produced at reduced costs, in coastal locations, and imported into Corby.

At this point it is desirable to turn to Corby as a community and to analyse certain features of the Corby labour market. The population of the town is around 55,000, having grown from a village of 1,500 in the early 1930s. Therefore, the works and the town have grown together with people coming in from northern Britain to take up employment. This development has led to the labour market and town community having a particular influence upon industrial relations at the works.

Labour markets are concerned with the supply and demand for occupational skills and the price paid for them. Corby's labour market consists in the narrow sense of the town itself and that part of the east midlands within easy travelling distance. Throughout its existence Corby has experienced a manpower shortage as the next table indicates.

Table 5.1

Unemployment Rate in Corby, East Midlands and Great Britain,
1966-70

	Corby	East Midlands	Great Britain
December, 1966	1.8%	1.7%	2.4%
Do , 1967	2.6%	1.9%	2.5%
Do , 1968	2.1%	1.9%	2.4%
Do , 1969	2.2%	2.1%	2.5%
Do , 1970	2.8%	2.3%	2.7%
Average	2.3%	1.9%	2.5%

source: Department of Employment Gazette

The table shows that during the 1960s the Corby labour market unemployment rate was lower than the national average. Further evidence of this relative manpower shortage was the extensive recruitment drives mounted by the personnel department in Scotland and northern England. This shortage was acute, particularly amongst skilled craftsmen, and the recruitment drives continued up to 1969. One articulate observer of the Corby scene put the point this way.(5)

'Corby has for many years been a prosperous town with
an abundance of jobs and paying high wages'

Labour supply therefore was a constraint at Corby in the 1960s, and one way to ease this was to improve the productivity of the existing labour force.

Corby town itself is in a sense a foreign town set in the middle of rural Northamptonshire.(6) The locals of Northamptonshire have taken jobs in the works, traditionally in the minerals and blast furnace sections. Other units of the plant, however, are manned by outsiders whose roots are in north Britain, and in particular in Scotland. Corby must be the only works

in England where the visitor is confronted by slogans referring to Scottish football teams. Also, the old Stewart and Lloyd Company (continued by the Corporation) organise a large annual Highland Gathering on the company playing fields.

Some local people take the view that this difference in culture helps to reinforce the citizens' identity with the success or failure of the works. The argument is that any crisis adversely affecting the works will cause the citizens and workers to react positively to solve the problem. Certainly some local councillors, who were also lay union officials, held this view, and also management who in introducing the Corby-Wide Productivity Programme in 1971, played upon this identity. The essence of the argument being that the men should support the productivity programme and protect their jobs, and the town.(7) However, this assumption that an adverse experience will bring about greater cohesion between culture, town and works in order to fight economic adversity, must be regarded with some caution. For example, if instrumental work attitudes predominate at Corby(8), and the opportunities for good jobs and pay which induced people to move there in the first place now disappear, the workers and their families may decide to pack up and return to Scotland. In this case the trinity of culture, town and works would weaken and not strengthen as previously suggested. Finally, even if the assumption that cohesion will result from crisis was correct, this does not rule out the possibility that strong conflicts of interest arising from within the works may not outweigh any community identity that exists.

To summarise: due to changes in the product market, but particularly in the wider technological context, Corby management were faced with conditions encouraging the development of some form of productivity agreement. These features were reinforced by labour market difficulties, and by certain

characteristics in the local community. However, before embarking upon the productivity bargaining developments the thesis turns to an analysis of the parties in the industrial relations system and to their traditional relationships.

Part Two, The Parties and their Collective Relationships

The philosophy of the Stewart and Lloyds Company towards its employees was one of paternalism. This ideology had been fostered by the fact that the town was developed by the company. This paternalism continued until after nationalisation and revealed itself on the issue of white collar trade union recognition. In the new Steel Corporation, Corby Works was one of the last to be unionised, partly because of management resistance and partly through lack of enthusiasm by certain groups of white collar workers. Thus Stewart and Lloyds was generally a good employer, but on its own terms.

As shown above, the Corby site consisted of four separate works each having its own managerial hierarchy; namely minerals, iron and steel, tubes and Lancashire and Corby. In terms of numbers employed the important works were the iron and steel and the tube works. The management structure of both these units only came together at company board level. In addition, relationships between the two works were so distant that local people talked of the 'Steel Curtain'. This division of structure was due to the origin-ation of the old Stewart company in tube production from which it later extended its operations into steel making. The engineering function was also divided on the Corby site, with both steel and tube works having chief engineers. These divisions were officially ended with the appointment of the first Corby Group Managing Director covering the whole site in March 1969.

The industrial relations function at Corby was also divided, with steel and tubes having their respective departments. This was reinforced by

separate affiliation to the ISTEA. In each works the industrial relations managers had responsibility for production and maintenance grades, but not for white collar employees. This division held policy implications for industrial relations in the works as will be seen later when describing the development of productivity bargaining.

At this point, it is worth noting the status of the industrial relations function at Corby. By 1966 there were twenty four people employed across Corby in this function including those working on secretarial and statistical work. Of the twenty four, five were university graduates reflecting something of the quality of the people involved. Both steel and tube industrial relations functions were headed by men of managerial rank, and in 1965 the company appointed a Director of Personnel. Apparently, however, this person was not a member of the main company board.

In terms of authority, industrial relations was organised on a functional basis with each subordinate officer reporting directly to his functional chief. In total the function consisted of an advisory service to line and engineering management. Nevertheless, company policy required all line managers to discuss with the industrial relations managers all claims on wages and manning. Furthermore, at the informal level, the influence of industrial relations was much greater. For instance, it was said that the tube works industrial relations manager ruled with a 'rod of iron'. Nevertheless, the relationship between line and industrial relations managers was one of inter-dependency. The industrial relations managers required the co-operation of the line for quick and accurate information, and the line needed the knowledge and skills of the industrial relations specialist. In addition, certain changes took place during the 1960s, including productivity bargaining, which increased the status and influence of the industrial relations department.

Trade Union Structure and Government

There were seven independent trade unions with recognition to negotiate on behalf of manual employees at Corby. The size of these unions in 1974 is given in the Table 5.2.

Table 5.2

Trade Union Membership at Corby, 1974

Iron and Steel Trades Confederation	7,000
Amalgamated Union Engineering Workers	2,437
National Union of Blastfurnacemen	1,750
Electrical and Plumbing Trade Union	924
Amalgamated Union of Building Trade Workers	90
British Roll Turners Society	20
General and Munciple Workers Union	?

source: various trade unions and Corby management

The table shows the overwhelming importance of ISTC, and on the maintenance side of the AUEW. In the following analysis attention will be drawn to the two main production unions and to the largest two maintenance unions. Reference to the other unions will only be made where they have a decisive influence upon events.

The Iron and Steel Trades Confederation dominates industrial relations at Corby. The union's membership was sustained without the assistance of a formal closed shop agreement. There were 'check off' arrangements operating, but not all workers made use of the facility. The problems of non-compliance members worried the union, and was raised from time to time in negotiations when the union sought management's assistance with the problem. At Corby there are twenty three manual worker branches of the union, and nineteen staff branches. The following table gives information on branch size for the manual workers.

Table 5.3

ISTC Branch Membership (manual) at Steel and Tube Works, 1974

Corby No1 (basic oxygen shop)	490	Continuous Weld	335
Corby No2 (heavy mill)	398	Continuous Weld Finishing	184
Corby No8 (traffic)	213	Continuous Weld Warehouse	339
Corby No12 (scrap recovery)	57	Corby No17 (marshalling bay)	72
Corby No13 (bricklayers labourers)	114	Galvanizing	131
Corby No14 (strip mills)	417	Electric Weld S.R.	556
Corby No15 (civil engineering)	82	Electric Resistance Weld	474
Corby No16 (electric arc plant)	143	C.W. Packers	267
		Plug Mill	403
		E.S.T.	82
		Rectangle Hollow Sections	40
		Cold Draw	160

source: Iron and Steel Trades Confederation

The largest branches are Corby No1 and 4 in the steel works, and the EWSR and ERW in the tube works. The government of ISTC branches will be discussed in Chapter Seven. In this chapter, the essential feature to be stressed is the autonomy of the various branches. This autonomy, enshrined in the rule book, allows the branch to negotiate with management on wages and other issues affecting their members' interests. Moreover, no branch of the union, nor any joint branch committee, has authority to intervene in the government of another branch if the latter does not wish it.

Staff branches emerged towards the end of 1969, when Corby management was forced to recognise the Confederation for these grades. Recognition saw the collapse of the Corby Foreman's Association, a non-union body, which represented their collective interests. So paternalistic was the Foremen's Association that the first Corby Group Managing Director was

at one time its chairman.

The Corby Joint Branches Committee was a forum for discussing common problems. It was not a negotiating body and, in fact, was more concerned with internal trade union matters. It met to decide the Corby view on issues to be discussed at the union's Divisional Officers Conference, and at the Heavy Steel Conference. The latter put forward to the union's executive committee resolutions on wages and conditions of employment. The tube works had its own Joint Branches Committee which was used to a small extent by management. For example, management would discuss with this body a serious sectional strike which was causing others to lose work. There was also a Staff Joint Branches Committee which in turn was represented on the Corby Joint Branches Committee.

Finally, Corby Works is part of No 4 Division of the union and is served by a divisional officer and three divisional organisers. These full-time officials operate from Birmingham and spend a fair amount of time at Corby. According to the works industrial relations department there is a Confederation official at Corby most days during the year.

The National Union of Blastfurnacemen (NUBF) organises workers in the minerals, coke ovens, ore preparation, sinter plants and on the blast-furnaces. The union's membership at Corby is partly sustained by arrangements similar to those of ISTC. The lodges (not branches) are given in the following table along with the respective memberships.

Table 5.4

NUBF Lodge Membership (manual) at Corby, 1974

Corby No1 Lodge (blastfurnaces and ancillaries)	465	Corby Locomotive	125
Corby No2 Lodge (ore preparation and sinter plants)	381	Corby Tarmac	66
Corby Coke Oven Lodge	286	Shanks and McEwans	129
Corby Mines	298		

source: NUBF, District Office, Grantham

The average lodge size (as with ISTC) is small. The lodges also have a degree of autonomy, although the rule book says that the lodge delegate cannot negotiate a change in wages or in standard manning without consulting with the union's district secretary.(9) Lodge government is otherwise similar to that of ISTC, consisting of chairman, a delegate and a small committee. These officers conduct the business of the lodge and make representations to management. The rules of the NUBF do not provide for a joint lodge committee at works level, although they are known to exist. Also, the rule book did not prevent certain NUBF lay officials from playing a prominent part on bodies such as the Corby Trade Union Association (to be dealt with later).

At district level there is co-ordination of local matters with each lodge electing delegates to the District Delegate Board Meeting. The NUBF has currently five District Committees, each serviced by a full-time district secretary. At Corby the district secretary is in frequent contact with the lodges to handle their wage claims and members grievances. The District Delegate Board meets twice per year and also formulates resolutions for submission to the National Executive. The District Delegate Board elects four officials to attend the union's annual General Council; the sovereign authority (rule 3 NUBF Handbook) of the union.

The National Executive Committee meets more frequently than this, and all districts are represented. The general secretary is the senior full-time official of the union, and there is a full-time officer force of six. Thus the union has a full-time officer ratio to membership of 1:2,677 which compares favourably with the ISTC's 1:4,000 in 1973.(10)

The craft unions at Corby are much less multi-union in structure than at Ravenscraig, or in most other steel works. One explanation for this is that Stewart and Lloyds, with some experience of multi-union problems, took the opportunity of the new site at Corby to limit recognition. Another difference between Corby and many other steel works is that semi-skilled and unskilled workers are in membership of the craft unions and not the Confederation. Craft union membership at Corby is partly sustained by a pre-entry closed shop agreement. The following analysis will treat the AUEW and EETPU separately.

The AUEW at Corby organised a wide variety of skilled and less skilled maintenance workers. In addition to the normal fitters, turners, and machinists, the union had in membership welders and platers who elsewhere would be in membership of the Boilermakers' Society. They also organised pipefitters (no plumbers were employed) and even painters and joiners. Also the union organised the semi-skilled and unskilled workers in the mechanical trades of which the steel works had the largest proportion.

At the work place, union organisation is built upon the shop steward. Each department of the works and each trade has a shop steward. There exists a hierarchy of stewards with the Joint Shop Steward Committee of

the AUEW electing a convener of shop stewards. Both steel and tube works have their respective steward hierarchies, although the one in steel was larger due both to the greater membership and also to the variety of trades. This division in union structure reflected the equally divided management organisation prior to 1969.

The AUEW has six branches based on the town (including one staff branch) which elect representatives to the Corby District Committee. However, unlike District Committees elsewhere the Corby Committee consisted almost wholly of stewards employed at Corby Works. Moreover, this closeness of the District Committee to the works was further reinforced by the district secretary, who was also an employee. Therefore, the traditional role of the AUEW's District Committee of supervision and protection of trade interests was very meaningful at Corby where it was intimately involved in industrial relations. Also at District Committee the steel and tube works stewards came together to discuss common problems.

It is now necessary to consider the relationship between the union at Corby and the full-time officials. The first full-time officer to be involved in a Corby dispute is the divisional officer located at Watford. According to the industrial relations department the officer visited Corby about six times per year. Most of the union's business, therefore, was conducted by the stewards and the part-time district secretary.

The other major craft union the EETPU is made up of time served electricians, chargehands and a few less skilled grades. The union structure was similar to that of the AUEW with each department electing its own steward. These formed the Shop Stewards Committee from which a

convener is elected. Again both steel and tube works had separate union structures to deal with management.

The union's branches are based upon the town. The EETPU had no district secretary similar to the AUEW, and prior to 1965, the stewards came under the Area Committee and the full-time area official. Of course, the Area Committee had a much wider jurisdiction than Corby itself. This difference in structure between the two craft organisations created a problem at Corby in the changing circumstances of the middle 1960s. The problem related to the difference in status between the EETPU convener and the AUEW district secretary. This caused the EETPU convener to obtain from the Area Committee permission to act as an unofficial district secretary, with a jurisdiction covering both steel and tube works and also extending outside. Moreover, management contributed to the development by addressing its formal correspondence to the union's district secretary. As a result, the EETPU convener increased his influence at Corby. In fact, so much so that he and the AUEW district secretary were the only lay officials to attend the Eastbourne Conference in January, 1967.

The other channel of shop steward involvement with the union outside the work place is through membership participation in area and national conferences. The union abolished the Area Committee structure in 1965, replacing it with area and industry conferences. These conferences debate issues of significance to the union in specific industries.(11)

The NCCC has no jurisdiction over the AUEW and EETPU at Corby. The local procedure agreements made with each union in the middle 1950s, and the model constitution of June 1949 for Allied District Craftsmens Committees

make no mention of it.(12) In the absence of NCCC jurisdiction no joint works craft committee has been established as at Ravenscraig. Moreover, the simpler trade union structure at Corby probably created no demand for one. Nevertheless, although this was the traditional position, circumstances began to change in the 1960s, and a joint AUEW/EETPU body was set up in the steel works in 1965. This interesting development shows the initiative and perseverance of the EETPU convener cum district secretary. Moreover, it was a development closely tied up with the emergence of productivity bargaining, and for that reason is worth describing in detail.

In 1964, the EETPU convener decided to entice the AUEW into a joint working arrangement. This was rejected at first owing to the dominant position of the AUEW. Apparently, on craft issues the company dealt with the AUEW and applied the outcome of their discussions to the EETPU. Concerned to improve the status of the craftsmen (and his own union), the convener envisaged that their wages could be improved through increased manpower efficiency. Consequently, in April 1964 the EETPU submitted a proposal for an availability bonus. The essence of this was for craftsmen to undertake more work in fewer hours. This indeed was an early initiative bearing in mind that ISTEA did not set up the Morley Working Party until February, 1966. However, management showed no great interest and it became imperative that the EETPU obtain the support of the more powerful AUEW. The courtship between the unions was helped by the election of a new AUEW district secretary, and by the end of 1964, the union associated itself with the availability bonus claim. Management were informed of the joint working arrangement at a meeting held in February, 1965. The new joint body's success was immediately assured when it obtained a considerable increase in bonus. Moreover, the development added further to the trade union hierarchy within the steel works craft unions.

Another institutional change established in October 1966, was the Corby Association of Trade Unions. This consultative body covered all the unions in the steel works. The Association proposed to raise the status of workers by formulating policies on sick pay, pensions, and in seeking an extension of participation in management decision making. The secretary of the Association was the EETPU convener.

To summarise, at Corby both management and trade union structures were very fragmented. On the union side, although Corby had fewer unions than many other works the absence of an allied craftsmen committee partly offset this benefit. Further the division in the management organisation caused the craftsmen to divide into steel and tube works unions. The production unions with their large number of small branches added to the degree of fragmentation. However, there were signs that things were changing with the craft unions, followed by the craft and production unions, getting together to form joint bodies. Thus the Joint Craftsmens Committee and the Association of Trade Unions were embryonic developments which in time would alter relationships between the various parties. Before pursuing this theme further in Part Three the traditional collective bargaining arrangements have to be analysed.

The Traditional Collective Bargaining Arrangements

In what follows the concepts of job regulation and collective bargaining structure are used as a framework to analyse the facts of Corby industrial relations. Here, the rules refer not only to those formally agreed, but also to informal custom and practice as well as those laid down unilaterally by the parties. The analysis uses the further division into

substantive and procedural rules, dealing firstly with production and then with maintenance workers. Collective bargaining structure is used in the way described by WEJ McCarthy in the Department of Employment's Manpower Paper No 5, these features are: the level at which issues are negotiated, the scope of the issues subject to collective bargaining, the form which the resultant collective agreements take, and the bargaining unit or numbers of people covered by the agreement.

Production workers' wage rates, both datal (time) and tonnage bonus, were negotiated at departmental level. If the parties failed to agree then a settlement could be sought at a higher level in the procedure. Another substantive issue negotiated at departmental level was standard manning. Negotiations on manning could arise over a new item of plant, or if some technological or organisational change disturbed the existing requirement. The manning standards were not established by work measurement. These agreements were formally written with both parties signing the document. Also, the agreements were nearly all open ended with either party having the right to re-negotiate at very short notice.

On the above issues the trade unions' right to negotiate was regarded by management as legitimate. However, there were other issues where this legitimacy was less clear cut. The content of the works rule book was decided unilaterally by management and the unions made little attempt to demand the right of joint regulation. Nevertheless, they did on occasion challenge their implementation. For instance, when management imposed a punishment upon an employee who allegedly broke a rule, the branch officials would challenge the decision and attempt to negotiate a reduction in the punishment. According to the industrial relations department this problem increased

throughout the 1960s. Overtime was another issue over which the legitimacy of bargaining was doubtful, and this caused a number of problems. At Corby overtime was high due to the general manpower shortage experienced in the 1960s, and some workers felt it to be unevenly distributed. As a result these workers demanded more overtime. Another problem arose when a shift workers' replacement failed to turn up for work and management had to force the employee who had completed his shift to work a 'doubler', that is two shifts in succession. Here the legitimacy of management's action was questioned by the workers, although the problem and the disciplinary implications stemmed from absenteeism. Absenteeism was high and some managers thought that overtime working had much to do with it.

The union also imposed unilateral rules upon management, especially on promotion and job demarcation. In general management accepted the union view that promotion was based upon seniority within the department. On occasions management disputed the rule when in their view a particular person was not fitted for a top job. Such disputes were rare and normally settled by negotiation. Job demarcation problems arose when work groups and individuals refused to undertake work not considered theirs, or claimed the work of another group. Management generally accepted these job practices, although the occasional dispute went the length of a Neutral Committee.

The size of the bargaining units in both steel and tube works were small. Each of the twenty three branches and eight NUBF lodges constituted a bargaining unit, but within a branch, work groups had a measure of autonomy to negotiate their own time and tonnage bonus rates through the branch. In other words, the branch itself consisted of smaller units as in the strip mills, where the mill crew, finishing bank personnel, and checkers all

negotiated separately. Therefore, the collective bargaining structure was highly autonomous and fragmented with each group pursuing its own interest.

At national level agreements which influenced behaviour at Corby include: the annual wage round which adds a flat sum or percentage to earnings for the standard working week; a minimum earnings level for labourers; the sliding scale addition which originally fluctuated with the price of steel but was stabilised in 1941; the monthly cost of living bonus; the standard working hours per week; shift premiums for 2 pm to 10 pm and 10 pm to 6 am; overtime and weekend premiums; guaranteed week agreement; holiday and holiday with pay agreement; and the extended working week for mills.

The production workers' procedure agreement was the means by which new substantive agreements were made, and disputes handled. The procedure also embodies the recognition rights of the parties, the facilities to be used, plus the jurisdiction of the agreement.

The procedure attempted to resolve conflict as follows: A claim or grievance could commence at departmental level and if no settlement was reached, stage two could be invoked with a meeting between the works manager/ industrial relations officer and the branch officials. A third internal stage between the same representatives plus the union full-time official was available. After this the Neutral Committee consisting of two representatives of management and two of the union from other works within the Corporation could be invoked. The functioning of this Committee will be discussed in detail in Chapter Seven on Ravenscraig. The next external stage was the National Sub-Committee, followed, if agreed by arbitration.

Although the ISTC procedure agreement was based upon custom and practice, it was understood by those concerned. On the other hand, the NUBF had a formal national procedure agreement, although at works level it made little difference to behaviour compared with the ISTC procedure. Procedural differentiation did not exist in the period, and problems, even those of doubtful legitimacy, found their way into the all embracing procedure. Status quo was another factor of little significance, with production workers accepting change, or agreeing to work a new plant, and agreeing the rates subsequently. Retroactive payment was common and reduced much of the resistance to change.

The facilities offered to branch and lodge officials were confined to what management termed reasonable access to the membership. Union meetings were not allowed in working hours, although there was an occasional exception if management felt that their interest would benefit. There were no lay full-time branch officials, nor was there a demand for them. However, branch officials required to attend meetings in working hours were paid.

As shown above the bargaining units on wage issues were small and the branch officials had the right to pursue their claims up to Neutral Committee level. As a result Neutral Committee remits referred to around 100 production operatives or less in a labour force of some 7,000, and given the highly autonomous and fragmented bargaining structure, Committee decisions often solved one problem and simultaneously sparked off another.

The maintenance workers' main substantive agreement at works level was the tonnage bonus. However, the steel and tube works' collective bargaining arrangements differed on bonus. The steel craftsmen's bonus based upon melting shop output applied equally to all craftsmen in the steel works with

pro rata reductions for the less skilled. In the tube works, a number of bonus schemes were in existence based upon separate units of plant. Consequently, disparities over earnings arose between tube craftsmen, and also between tube and steel craftsmen. Negotiations also took place over abnormal condition money (ACM), although this form of payment was less significant in the tube works where conditions were nearer to those of a general engineering factory. The steel works ACM payments increased during the 1960s rising to average about 30/- per week. Moreover, these payments were higher in the iron works where several jobs carried payments of 2/- per hour, at a time when the hourly rate was 4/11.21.

In addition to pay, a number of issues were the subject of negotiation, although management did not concede the formal right. Overtime was one such issue and will be dealt with in detail later. Another was manning, here management simply authorised the establishment on the basis of experience. However, during an emergency repair or planned shut down, they would augment the manning by transferring workers from one department to another. This formal management right was often resisted by the shop stewards and negotiations ensued. Such restrictions on labour mobility also applied in the area of restrictive job practices. Typical of these were welders refusing to use burning equipment, and fitters waiting for pipefitters to remove pipework from a job. Informal negotiations occurred when management disciplined workers for breaking a company rule and also over the use of contractors. On the latter issue Corby craftsmen often refused to work beside contractors labour.

The form that agreements took tended to vary with the degree of legitimacy or recognition accorded to them by management. Wage agreements

were normally written up, whereas issues like job demarcation or mobility were surrounded by informal understandings and misunderstandings. Most of the collective agreements were open ended in form.

The bargaining unit structure was fragmented but not as complicated as that of the production workers. The various works, that is, steel, tubes, minerals, and Lancashire and Corby had their own units. Within each works the mechanical and electrical trades negotiated separately, although not in the steel works where a Joint Shop Stewards Committee existed from 1965. The less skilled maintenance workers, who took their lead from the craftsmen, had the right to separate negotiations with management.

National substantive agreements between the ISTEA and the NCCC regulate work at Corby; although the Corby unions were outside the NCCC. The most important national rule in the period 1964-70 was the hourly rate. This rate did not apply at Corby until more recent times when Stewart and Lloyds brought the unions into line. Traditionally the Corby rate was higher, but the gift hours for back and night shifts lower than those contained in the national agreement. Other important national agreements applying at Corby were: the November 1964 Agreement on Efficiency, Service and Qualifications; premiums for week-end and overtime working; holiday and holiday with pay entitlements; standard weekly hours; and the guaranteed week agreement.

Both the AUEW and the EETPU have separate procedure agreements at Corby which are formally written and signed by the parties. The situation is more complex than this however, and in the case of the AUEW there are in fact eleven procedure agreements.(13) The agreements formally allow for the negotiation of bonus and ACM payments, and for the handling of disputes over

their application. The most interesting procedural question is the claim by the Corby unions that they do not come within the jurisdiction of the NCCC. Some of the agreements, namely those of the minerals and Lancashire and Corby, terminate at divisional office level. Other agreements including steel and tube works contained clauses referring a dispute to London. However, the London meeting is between the unions' divisional and district officers and representatives of the ISTEA. Only after this stage has been exhausted and if both parties agree, can the dispute be referred to a full meeting of employers and national union officials. Clearly, the authority and influence in handling a dispute lay with the AUEW District Committee, to a smaller extent with the Divisional Office and only with the national officer if asked to participate by the District Committee.

This situation was an embarrassment to the AUEW's national officer for the steel industry, who was also convener of the NCCC. Moreover, this embarrassment became more acute with nationalisation and the increasing standardisation of industrial relations policy. This anomalous situation came to a head in June, 1970 when a serious strike took place at Corby. The dispute which commenced with a work to rule and overtime ban soon developed into a strike. The District Committee exercised its authority and endorsed the use of sanctions, apparently to increase union solidarity, and to put maximum pressure upon management. The Corporation attempted to bring in the national officer, but the District Committee was able to exclude him until they thought the time right. The local union then allowed the dispute to go on in procedure so as to result in a solution with national officer involvement. Thus, the District Committee used its authority to endorse the strike and the procedure agreement to its own ends.(14)

The outcome of this dispute was the inclusion of a clause in the return to work formula committing the parties to discuss and agree a new procedure. This new procedure was established for all AUEW members on the Corby site in July, 1971. The agreement makes explicit the involvement of BSC Headquarters and the AUEW National Executive in a dispute referred to national level. Further to meet the multi-union problem, the procedure allows formally for joint AUEW/EETPU meetings with management. Nevertheless, the new procedure remains outwith the jurisdiction of the NCCC, but in providing for national officer involvement in multi-union disputes can be considered the next best arrangement.

Again procedural differentiation is not acknowledged by the new agreement. It is typically all embracing, with clause one stating that a workman can raise "any matter" with his immediate supervisor. Also, on shop steward facilities the agreement is silent, although at the informal level both the AUEW district secretary, the EETPU convener (cum district secretary), and the AUEW tube works convener had scope for movement due to their fairly large jurisdictions. Notwithstanding this, management denied that they had full-time lay officials at Corby.

Management's rights under the procedure agreement remained largely unspecified, as do those of the union. The new procedure gave top Corporation officials a place, and also contained the usual peace clause giving management the right to expect workers in dispute to remain at work until the procedure was exhausted. On the question of the scope of management rights (for example, to decide overtime, manning, etc.), the agreement remained silent.

To summarise, the above analysis highlights the main features of the

traditional collective bargaining arrangements at Corby. It has shown that the collective bargaining structures of both production and maintenance workers were extremely fragmented, autonomous, and partly informal. Informal bargaining over issues like overtime, labour mobility and discipline was on the increase. Thus the scope of collective bargaining was much wider than management wished to formally acknowledge. Another major change was the rising aspirations of the unions for greater influence in the management decision making process. The policies of the Joint Craftsmen's Committee and the Corby Association of Trade Unions in the steel works reflected this point of view. The development of these changes will be traced in the next section which deals with the origin and growth of productivity bargaining.

Part Three, Early Productivity Bargaining at Corby

Productivity bargaining originated in 1965 with the maintenance employees in the iron and steel works. These early discussions were ahead of those for the steel industry in general as ISTEA established the Morley Working Party in February 1966 and its recommendations became national policy later that year. Also, Corby seems to have embraced productivity bargaining every bit as early as Port Talbot Works. (15)

Productivity bargaining commences with the EETPU's claim for an availability bonus related to improved manpower utilisation. At the time management ignored the productivity element and nothing was done. However, in June 1965, a strike occurred amongst craftsmen over the manning of the basic oxygen plant, then being substituted for the old bessemer steel making process. This stoppage led to a hearing in London, where the local unions

took the opportunity to make productivity suggestions. In response local management proposed the "twenty point plan". This plan became known subsequently as the Magenta Book. The essential features of the plan were:

- (a) An important objective was to secure improved labour mobility between departments within the works. Management emphasized the need to exercise this right in order that the organisation could cope better with emergency breakdowns. Greater mobility of the maintenance labour force would help to avoid extra overtime working and thereby improve efficiency.
- (b) Management also proposed the elimination of many restrictive practices. To facilitate this the craftsmen were to be trained in a wider range of skills, for example, welders would learn to burn, and fitters learn to 'tack weld'. A training scheme was to be introduced consisting of one weeks theory, taught 'off the job', followed by three weeks practice 'on the job'.
- (c) A graded wage structure was to be introduced for maintenance workers providing a hierarchy of maintenance skills. The structure consisted of Grade 1 craftsmen, Grade 3 semi-skilled, and Grade 5 labourers. Grades 2 and 4 were to be made up of trained men promoted from the grades immediately below. This graded structure would provide greater flexibility and mobility within each respective grade, and most important Grade 2 could perform, unattended, certain craft jobs. Both these benefits would reduce the waste associated with the craftsmen's mate. Selection for training was decided by management using the criteria of ability and seniority. This did not apply to craftsmen or chargehands. Further the final assessment of whether the trainee passed or failed was to be decided by management. The shop stewards' rights were confined to consultation.

(d) Other items contained in the "twenty point plan" emphasized managerial rights as the following quote shows:(16)

'Management will stipulate the manning of particular jobs.'
'The decision on whether extra overtime is required must be made by management.'

These features of the "twenty point plan" show management's desire to alter some aspects of the collective bargaining and wage structures, but on management's terms. In other words, management saw productivity bargaining as a means of reasserting their prerogative which, as shown above, was the subject of challenge. Such a strategy can be explained in terms of management's interests reinforced by a strong ideology. Further, Corby steel works management may have wished to be seen as conceding little to the unions due to the defensive attitude of the tube works management at the time. Whatever the reason, management's approach to productivity bargaining at Corby was a long way from what A Flanders called "regaining control by sharing it".

The union response to the plan was mild and apparently favourable. So co-operative, in fact, that in 1965 they suggested to management that when craftsmen undertake overtime working that they take time off in lieu. Alternatively, given staff status craftsmen would work up to four hours extra per week for no extra payment. These suggestions reflected the union leaders desire to seek new arrangements for Corby. Nevertheless, management insisted on an extension of consultation rather than in the scope of joint regulation. This is clearly illustrated by the training aspect of the "twenty point plan", where union involvement increased, but took the form of consultative rights. Employee participation therefore was increased by giving the union access to more information, and to more senior management.

This desire to co-operate, however, should not disguise the trade unions interest in securing increased earnings for their membership. The "twenty point plan" introduced a new departemental productivity bonus in July 1965, and consolidated the ACM payments into a flat payment. In February 1966, the graded wage structure with associated increases in wage rates was introduced. Of course, the graded wage structure paid nothing to the Grade 1 craftsmen, but this was acceptable, as the unions expected the productivity bonus to increase over the following year. Unfortunately, by mid 1966, this expected improvement in earnings had not materialised and a strike resulted in July, 1966.

Following the strike management proposed a manpower savings scheme based upon the measurement of actual manhours worked compared with a datum year which was based upon the manhours worked over the previous four years. Alterations could be made in the datum for changes in technology and product demand. The scheme's target was to reduce total manhours by 15% below manpower datum, within a period of two years. Savings were to be monitored on a four monthly basis and the share out negotiated by the parties. The agreement made an initial interim payment of 4.8d per hour for shift working craftsmen. This payment rose to 7.8d by April, 1967.

The Magenta agreements also created a new participative structure known as the Central Joint Working Party. This body consisted of eight members, four from management and two each from the AUEW and the EETPU. Its main function was to discuss progress and problems arising from implementation of the productivity agreements. Later under the manpower savings part of the agreement six departmental joint committees were established which extended further the degree of participation to shop floor level. This conformed with the unions' strategy for further involvement. These new

committees were consultative and did not infringe the rights of the parties to have access to the traditional procedure. For example, a job demarcation dispute which could not be settled by the Central Joint Working Party would involve the District Committee within a period of seven days.

The study now investigates the development of productivity bargaining in the tube works. The experience here was very different, and it provides a better insight into the factors limiting change under productivity bargaining.

In tubes, neither management nor the unions made any attempt to develop a productivity programme until well into 1967. Management's attitude changed as a result of factors noted below. They submitted proposals to the craft unions implying a two stage approach: First, to reduce job restrictions, improve internal labour mobility, and reduce manning; second, and subsequently, to bring in planned maintenance systems based upon work measurement. The craftsmen reacted with suspicion and mistrust, and the bargaining that followed was tough with little enthusiasm and much resistance. Agreement was finally reached in June, 1968.

Compared to the steel works the tube works negotiations contained several differences both in terms of climate and results. On the issue of job flexibility the stewards in tubes gave much less away than their colleagues in the steel works. The unions agreed that fitters could do their own slinging and that the semi-skilled burner's job could be eliminated, but no semi-skilled men would be allowed to perform routine craft jobs. On the issue of labour mobility the tube stewards took a more restrictive line. In the steel works, the non-craft graded men could use a range of skills and be moved around the works. In the tubes the graded men could only

perform one job which placed severe limits upon mobility. Promotion within the graded structure was another area where the tubes stewards placed greater constraints upon management. Steel works management had the right to select and evaluate the trainee; in tubes these were the subject of joint regulation. The one major concession made by the tube works stewards was on manning. They agreed to a reduction in the number of craftsmen's mates, which in the case of the AUEW meant a reduction of sixty men (that is, from 439 to 379). Also, the new electric weld stretch plant was to be manned without extra recruitment. The total manpower reduction was estimated at 13%.

Finally, the major institutional innovation for improving the climate of industrial relations was the setting up of a Consultative Committee similar to that in the steel works. There were some small differences in constitution and purpose, the Committee membership being smaller with four instead of eight members, and there were no manpower savings to monitor on a regular basis. The main work of the Committee was to review performance and assist implementation of the agreement.

For production workers productivity bargaining commenced in late 1968, and eight agreements were concluded in the tube works, and one each in the sinter plant, and the basic oxygen shop in the period 1969-70. The following summary highlights the essential features of the agreements, but has been confined to the tube works where the documentary evidence was more complete. However, the steel agreements contain no differences of principle.

The productivity agreements in tubes covered 1,444 operatives or 42% of the production labour force. The bargaining unit size was small with the average agreement covering 180 persons, and ranging from 46 on the

coil pickle line to 400 in the plug mill. A bargaining unit might consist of the whole branch, or an occupational group which negotiated with management through the branch officials.

The scope of the issues dealt with under productivity bargaining were narrow, and mainly concerned with manning reductions and the associated reallocation of duties. However, the occasional agreement dealt with working hours as the one at the galvanizing plant. This plant worked a preparatory shift giving sixteen in total for the week. It commenced on Sunday at 10.00 pm when workers prepared tubes, for pickling, for the start-up on Monday at 6.00 am. Management took the view that if the men's work rate could be raised towards the end of the normal week then the preparatory shift could be abolished.

Regarding the redistribution of savings, the branch negotiated a share and then applied this to the wage rates of the group directly involved. On occasions the application of this principle could seriously upset wage differentials within the branch. When this was likely to occur the branch officials would encourage the spread of savings to the whole branch or to related work groups as happened with the plug mill agreement in March, 1970.

This concludes the discussion of the origin and development of productivity bargaining at Corby. An evaluation of the results of the productivity agreements concluded in this period is now attempted.

Part Four, An Evaluation of the Early Productivity Agreements

This part is primarily concerned with measuring the results of productivity bargaining in terms of the objectives to improve manpower

productivity and the state of industrial relations. Again as in the previous part the maintenance agreements are considered first.

The first agreement to be assessed is the Magenta agreement applying to the iron and steel works. To attempt an objective evaluation it is necessary to use some crude indices of performance and although these have many inadequacies, they allow a rough evaluation to be made. Table 5.5 contains the manning figures for the steel works maintenance force.

Table 5.5
Corby Steel Works, Maintenance Personnel

Year	Mechanical	Mechanical and Electrical
1965	1,200	1,432
1966	1,149	1,376
1967	1,117	1,328
1968	1,111	1,328

source: Industrial Relations Department

These figures show a progressive reduction in the manning by 105 men or 7.3% in the period 1965-68. This was a period when the unions were most cooperative in implementing the clauses on job relaxation, mobility and in seeking manpower savings. However, this reduction in actual manpower may present a false picture as either the physical output per man may fall, or alternatively more overtime could be worked. These aspects must be checked and the following table gives some information on the physical product per man during the period.

Table 5.6
Corby Steel Works, Maintenance Labour Productivity, 1966-68

Year	Maintenance Manning	Output of Strip Mills	Physical Productivity per man
1966	1,376	729,983	530 tonnes
1967	1,328	723,497	544 tonnes
1968	1,328	754,982	568 tonnes

source: Industrial Relations Department

The table shows that average productivity per man rose by 7.1%, and therefore the reduction in manning was not a limiting factor. However, in the short term the manning reduction achieved might have been at the expense of poorer maintenance which would not affect production for some time. This is unlikely as the figures cover a three year period which is long enough for poor maintenance to show up in retarded production. There remains the possible charge that the physical productivity per man increased, not from improved productivity, but due to additional hours worked. Again, the evidence of the next table show this not to be so.

Table 5.7

Corby Steel Works, Average Maintenance Overtime per Man, 1965-68

Year	Average Hours Worked	Average Overtime Hours Worked	Overtime as % of Hours	Average Overtime per man
			(mechanical maintenance only)	
1965	47,416	6,446	13.6%	5.3
1966	47,366	5,701	12.0%	4.9
1967	47,800	4,994	10.4%	4.4
1968	44,350	5,209	11.7%	4.6

source: Industrial Relations Department

It could be concluded from the above table that on the basis of the productivity criteria the Magenta agreement was a great success. Unfortunately, when the analysis is extended up to 1970 the picture gets a little clouded as the next table shows.

Table 5.8

Corby Steel Works, Average Maintenance Overtime per man, 1970

Year	Average Hours Worked	Average Overtime Hours Worked	Overtime as % of Hours	Average Overtime per man
1970	46,885	5,696	12.1%	5.1

source: Industrial Relations Department

By 1970, overtime levels had moved back to the levels existing prior to the productivity agreements. Moreover, a similar trend is also revealed in physical productivity per man which fell from 568 tonnes in 1968 to 555 tonnes by 1970. It would seem, therefore, that after a bright start something began to go wrong with the steel works agreement from about 1968 onwards. To investigate this point further it is necessary to examine certain financial matters.

From 1966 to 1970 the steel works craftsmen's earnings rose by 12½%, from £21.42 to £24.42 for 40 hours worked. This increase was better than at Ravenscraig, where the improvement was around 10½%. As the national wage rate did not change until March, 1969 (although there were small increases under the national cost of living payment) most of the increase came from the productivity agreement. On the face of it, this should have generated satisfaction with the agreement, but apparently this was not the case. Initially the craft unions expected their earnings to increase over those of 1965 by £4.40 per week, but savings under the agreement continually fell short. Frustration, therefore, built up, and with it, the cooperation between the parties declined. To improve the position management proposed manpower reductions, but the unions refused to accept the job loss involved. Increasingly the unions blamed management for the agreement's lack of success. A typical opinion expressed by the shop stewards was, 'we gave management a blank cheque on productivity and they could not make use of it'. Therefore, in financial terms the productivity agreements were less than successful, both from the view point of management and workers.

The tube works agreement was a complete failure and, in fact, never really got started. It lasted for all of six months. The agreement's almost instant failure was due to a misunderstanding over the wage settlement.

The shop stewards believed that they had made an agreement for £3 per week which was in line with the national understanding of between £2 and £3. The payment was to be made in two installments, a 30/- primer (allowed under the national guidelines) followed by a further 30/- when the agreement was fully implemented. However, management maintained that the 30/- and not £3 was the total deal. Needless to say a bitter argument arose with the unions finally withdrawing from the agreement.

The 30/- payment continued as a reduction in the craftsmen's mates had taken place prior to the withdrawal, although the discussion groups collapsed. This situation reinforced the suspicion and hostility of the tube works craftsmen towards this type of agreement.

Finally, regarding the degree of conflict within and between the parties, the most obvious measure is the recorded strike figures. Unfortunately, at Corby no accurate statistical record existed in this period,(17) and in the absence of this objective yardstick more subjective impressions have to suffice.

One area of opposition was the resistance of some engineering foremen to the productivity agreements. The Foremen believed that management had not consulted them regarding the agreements, and therefore, they felt little commitment to them. In addition, the agreements increased their work load under job relaxation and mobility clauses, but no cognizance was taken of this. Thus, given little recognition, and somewhat confused, the foremen made little attempt to make the agreements a success. This point adds credence to the shop steward opinion given above, that management were given a "blank cheque" on productivity but could not make use of it. This

is another example of what Walton and McKersie term intra-organisational bargaining,(18) which shows how internal conflict within management can influence the outcome of the productivity bargaining process.

A second area of conflict existed within the steel works unions due to the fact that the EETPU gave little away on job relaxation under the agreement compared with the AUEW. This is surprising in the light of the EETPU convener's positive attitude towards productivity bargaining. Of course, the electricians legitimized their position by arguing that safety requirements made it necessary for time-served electricians to perform most of the jobs. However, the union's restrictive attitude was further revealed by the graded wage structure, where after four years, only two men were promoted to Grade 2. Given that the electricians made little contribution, conflict between the two unions was inevitable.

Within the AUEW itself problems existed with certain trades like pipefitters and welders who resisted parts of the agreement. Both these groups were concerned with job security, as some of their work was overtaken by fitters. Hence as late as 1969 some fitters could not, or would not, perform pipework operations without the assistance of a pipefitter. The importance of work group behaviour in this context has been identified by Alan Flanders in his Fawley study and requires no further expansion here.(19)

As to strike activity, although no accurate record of this was kept it is known that there were several major stoppages during the period and particularly in 1969/70. The steel works maintenance workers engaged in strike activity in February and September 1969, due largely to the productivity bonus being out of line with their expectations. As a result, attitudes became more restrictive as shown by the February dispute, which

arose out of the refusal of one man to move from one machine to another under the terms of the agreement. However, the most serious dispute was that of June 1970, which appeared on the surface as a claim for an increase in tonnage bonus across the Corby site. This dispute reflected the steel craftsmen's disappointment with their earnings under the Magenta agreements (and underlying this their frustration with the national situation), and for the tube craftsmen the fact that their earnings had fallen behind those in steel. The next table shows this.

Table 5.9
Craftsmens Earnings in Corby Steel Works and Tube Works, 1969-70

Year	Earnings (first week in March)	
	Steel Works	Tube Works
1969	£23.20	£21.37
1970	£24.42	£22.38
1970	Tonnage Bonus Earnings	
	£ 4.48	£ 2.39

source: Industrial Relations Department

The tubes craftsmen were earning about £2.00 per week less than those in the steel works. Management were faced with the problem of how to concede more money to the tube craftsmen without sparking off a further claim from the steel works. The final settlement provided for a bonus payment of £5.40 across the site with steel craftsmen receiving an extra £1.00, and tubes craftsmen £3.00 per week. In return the tube craftsmen accepted the main features of the Magenta agreements thereby bringing them into line with the steel works. On this occasion the suspicions of the tube works shop stewards concerning productivity bargaining were overcome by a combination of financial inducement, the District Committee's favourable response, and by national officer involvement.(20)

The production workers productivity agreements covered 1,444 operatives in the tube works. There was a major reduction of 169 men, or 11.7% of those covered by the agreements. There was no redundancy and all displaced personnel were offered redeployment in other parts of the works. Hence output per man rose for those units of plant concerned, but it cannot be shown that productivity increased for the tube works as a whole. For this to be so total output per man would have to increase, and it was not possible on the information available to separate this contribution from other influences.

Financially the agreements appear to have been very successful for both management and workers with savings split on an equal basis. An illustration of the money involved is given by the continuous weld finishing agreement, where the total savings constituted £26,041 per annum, providing an increase per man of £3.17 per week, or 16%. This was a considerable increase to the men involved and compares with the 13% gained by the tubes craftsmen in 1970. Moreover it raises the question, if such increases were available to small bargaining units of this type, what effect did this have upon industrial relations?

Unfortunately, the answer is not clear. The complexity of the production wage structure was great and often one group had little idea of what others were earning. An insight into the jungle of wage rates that existed at this time can be had from a wage survey conducted by Urwick Orr and Partners. For instance, in the steel works there were 926 designated occupations with 364 separate wage rates, covering a manning of 2,631. In the tube works, the position was a little better with 251 pay rates for 2,365 operatives. Also the tonnage bonus element in the Wage structure varied greatly between work groups and departments. For example, the

slitters and cutters in one mill had a bonus element of 70% in shift earnings. Therefore, it was possible for two similar jobs in terms of skill and responsibility to be paid very different rates. For instance, the 15 tonne crane drivers in the basic oxygen plant and No1 strip mill, received 48/6 and 35/3 respectively per shift. Yet another injustice was the coke oven heater (a senior man) paid at £24.00 per week, and the less skilled slitters and cutters at Lancashire and Corby who received £54.00 per week. Nevertheless, although no one branch or lodge had an accurate knowledge of wage relativities, information all be it inaccurate, did get around, and in this sense productivity bargaining probably put extra pressure upon the system.

One of the most serious disputes in the period was a strike by No6 branch in the tube works in March and April, 1969. The strike lasted for four weeks and is worth commenting upon in some detail. The work stoppage took place over a wage claim and involved 470 cranemen and slingers. The basic grievance was that the work group concerned felt their wage levels to be falling behind those of certain other groups. Management responded by offering a productivity agreement, but wished to break the crane group up and associate them with other groups to increase efficiency, that is, they wished to change the traditional collective bargaining structure. The cranemen with the support of the branch officials resisted these proposals and a major conflict developed. Neither the cranemen nor the branch officials were opposed to productivity bargaining in principle. As deadlock ensued, management attempted to by-pass the branch officials and negotiate directly with the work groups, but with no success. The union's Executive Council announced the strike unofficial and gave its support to management. Management, to break the deadlock, eventually issued letters to the strikers threatening dismissal, if they refused to recommence work. This action

precipitated further strike action with 1,500 men stopping work in support. Relationships between the branch officials, the official union, and management deteriorated markedly.

Having reached serious proportions, pressure to find a solution increased and the return to work formula included the withdrawal of the dismissal notices and the negotiation of a new productivity agreement. Also, the branch officials were deprived of office by the Union Executive, who advised that the branch members be distributed among the other branches. This experience in which productivity bargaining played a large part, was traumatic to say the least, and was to have an important influence upon the climate of industrial relations at Corby.

Summary and Conclusions

This Chapter has dealt with important background factors and events at Corby works, and thereby hopefully will assist understanding of the Corby-Wide Productivity Programme to be discussed in the next Chapter.

In conclusion, it can be said that productivity bargaining made a useful contribution to reducing manning and wage costs in this period. For production workers this can only be claimed for the units of plant involved. The maintenance agreements allowed progress in relaxing job restrictions, improving internal labour mobility, upgrading the less skilled, and in reducing the amount of overtime worked. Also, the maintenance agreements established new institutions to extend employee participation within the works. However, in 1969-70 the agreements worked less well, and conflict increased. In the case of the maintenance agreements, this corresponded closely with their failure to produce increases in earnings in line with

the workers expectations.

Therefore, an important lesson for management with regard to any new initiative in productivity bargaining was that the agreement should earn sufficient savings to meet the workers' expectations. Failure to meet these expectations will lead to a decline in commitment to the agreement. Moreover, employee expectations were not confined to Corby, but were undoubtedly influenced by what was happening in the wider industry. Both maintenance and production workers had suffered a decline in their wage position relative to workers in shipbuilding and engineering, and their unions, particularly the NCCC were claiming substantial wage increases for productivity at national level.

A second conclusion is the importance of certain external and internal structural variables in influencing the form of productivity bargaining adopted by the parties. For maintenance workers, differences in works technology, collective bargaining and wage structures, and union organisations in the respective works influenced the outcome of the productivity agreements. Also the same factors influenced the production workers' approach to productivity bargaining. Furthermore the unions strike behaviour was influenced by these same structural variables. For instance, the craftsmens strike in June 1970 was the direct result of separate approaches to productivity bargaining in steel and tube works; and the bitter production workers' strike of March, 1969 the outcome of an attempt by management to alter the bargaining unit of the crane men and slingers. Therefore, productivity bargaining did not eliminate conflict at Corby. Moreover, at Corby productivity bargaining did little to reduce the highly autonomous and fragmented nature of the bargaining structure as a whole.

This was a central problem which any new management initiative would be required to tackle.

A third conclusion is the importance of the management organisation as an influence upon union behaviour. The division between the tube and steel works in particular, allowed the respective managements to pursue divergent policies in productivity bargaining. As a result any new management initiative had to deal with this problem. In effect, the first managing director for the entire Corby site was appointed in March, 1969 and the job of building a more unified management got underway. However, the "steel curtain" still existed in 1970 and this had to be taken down.

Finally, the climate of industrial relations deteriorated towards the end of the 1960s, and management responded to this with the Corby-Wide Productivity Programme. It is to an examination of this programme that the next Chapter turns.

Part Five The Hypotheses

The thesis now turns away from empirical description, and attempts to formulate hypotheses to explain in a more abstract and economical manner events at Corby. The hypotheses developed in this section will be tested, built upon and refined in subsequent Chapters.

What then are the main factors making for the development of productivity bargaining on the Corby site at this time? For purposes of distinguishing and assigning priorities between these factors the following summary is necessary.

The influence of the product market can be dismissed in this period as the really difficult years did not commence until the recession of 1971. External policies such as those of employers' association and incomes policy made their impact after 1965. The labour market on the other hand probably had a minor influence owing to the shortage of skilled craftsmen during the 1960s. However, this could not be a major cause as the tube works experienced the same shortage and did not embrace productivity bargaining as early as the steel works. Furthermore, this same argument applies to the general dissatisfaction of the craftsmen with their low wage level in the industry. The other main external factor was the changing technology of the industry. By the middle 1960s the argument for large scale coastal works using rich imported ore was well established. This technological threat had a differential effect upon steel and tube works. Of the external influences this would seem to be the most powerful variable explaining the early adoption of productivity bargaining in the steel works. Clearly, JT Dunlop's systems theory would appear useful in throwing light upon the parties' response to an environmental change which threatened the system's survival. Further, the Corby town "community effect" probably worked in the same direction. On the other hand, within the works itself the attitude of the parties to the adoption of productivity bargaining was also important. GG Somers has said, (21) 'rules and decisions are the products of the minds and emotions of men, and they result from environmental changes only as these are registered in the mind and emotions'. Consequently, at Corby there was no deterministic response by the parties to the environmental change, but a conscious attempt to define their situation and to improve upon it. The steel works EETPU convener in conjunction with the AUEW took the initiative to improve manpower efficiency as a way of increasing earnings and the union's status.(22) Management after a hesitant start responded with the "twenty point plan" and later

the manpower savings scheme. This coincidence of the parties interests was the complete recipe for successful productivity bargaining. Here Flanders statement, 'efficiency is inherent in managements social function' was shared by the steel unions.(23)

That trade union officials were concerned to improve efficiency at Corby should not surprise anyone. Evidence that the craft and production trade unions showed this concern at national level was given above in Chapter Four.(24) Also, JA Banks has shown(25) that the ISTC adopted a policy of public ownership for the industry, in the inter-war period, due to the inefficiency they considered existed; the inefficiency being blamed for unemployment among union members. Much the same thought existed amongst the steel unions at Corby, although the EETPU was the first to articulate it.

However, why was management so insistent upon their traditional prerogative and more important why did the steel shop stewards allow them to be?

The steel works shop stewards behaviour is best explained in terms of their primary objectives. They realised that the productivity agreements were on management's terms, but that Corby's survival depended upon their acceptance. In other words, the stewards' leadership recognised that the traditional collective bargaining and wage structures were an obstacle to efficiency and that these could only be altered on management's terms if disruption and delay were to be avoided. Again Walton and McKersies' work(26) on the influence that internal union bargaining can have on the collective bargaining process is of relevance. The shop stewards were

more conscious of what was at stake in the long term than the rank and file members. However, the stewards had to defend their members' interests when their members' expectations of extending the scope of collective bargaining clashed with management's. But in the formal productivity bargaining negotiations the union leadership managed to avoid allowing this issue to become a focus of division between the parties.

How then did the shop stewards manage to achieve their objectives? It would appear that they knew only too well that their ability to carry their members depended upon the size of the increase in earnings obtained under the agreements. For when the productivity agreement failed to meet the men's earnings expectations a strike developed in July, 1966. Then the stewards adopted an opposition role to management in order to achieve a better cash deal. On the other hand, the basic strategy was kept in existence as shown by the subsequent acceptance of the manpower savings and sharing scheme.

If cooperation marked the steel works negotiations, what explains the differences in attitude between the steel and tube works? The conversion of the tube works management in 1967 to productivity bargaining was due primarily to external factors, namely the change in ISTEPA policy, and to incomes policy. The tube works "MEUMM" agreement was favoured by ISTEPA and contained the two stage approach agreed with the NCCC. However, the national agreement as an explanation is not totally convincing when applied to the tube craftsmen. First, the Corby unions were outside the jurisdiction of the NCCC (although representatives attended the Eastbourne Conference), therefore, incomes policy was a more important influence with the unions. Also, the craftsmen's concern with their low level of wages in the industry was an important background factor. However, none of the above external factors affected tubes and steel works differently, and therefore, throw

any light upon differences of attitude on the union side. Only the wider technological threat had a differential influence upon behaviour; but, although a factor stimulating action, by itself it is not adequate in explaining the particular strategy adopted by the steel shop stewards. A more comprehensive explanation appears to require, in addition, an analysis of the interactions between certain internal structural variables, and the attitudes and motivations of the parties. These structural factors included Corby management and trade union organisations, the respective works technologies, collective bargaining and wage structures. These interactions must now be examined in order to explain more fully differences in the behaviour of steel and tube works shop stewards.

One explanation held by several managers at Corby, was the differences in leadership qualities on the union side. Leadership meaning the attitude and influence exercised by the conveners due to their personalities and formal office. The steel works convener (cum district secretary) of the EETPU was articulate, far seeing, knowledgeable, intelligent and capable. He was abreast of modern ideas on productivity bargaining, and developments in the industry including both the technological threat and the more general craft discontent. This man, it was said, pulled the various strings together by relating the craftsmen's wage advance at Corby with the need to improve manpower productivity. Also, he had established the first Joint Craft Committee in the steel works, and was favourably disposed to productivity bargaining. These personal leadership qualities were absent in the tube works where the convener, as a communist, was regarded by management as a militant and opposed to productivity bargaining.

The problem with this hypothesis lies in devising adequate tests for it and in separating out its influence from other factors. Moreover, as a

management definition of their situation the explanation reveals a managerial value, that is, the steel works convener was perceived as cooperative and concerned to improve efficiency. On the other hand, management perceived the tube works convener as uncooperative and as an obstacle to improving productivity. Hence the leadership qualities of the tubes convener were disregarded, although it can take good leadership qualities to resist as well as to innovate (Churchill's resistance to Nazi aggression 1940), especially if productivity bargaining is perceived as an attack upon traditional trade union defences.(27)

One way of escaping from the 'quality of leadership' explanation without denying its validity completely, is to show that the ability to exercise leadership is closely tied to the wider structures within which the shop stewards worked.

In the steel works the AUEW and EETPU memberships were larger than in tubes; for example, in steel the AUEW had 1,100 members and in tubes 480. Also, the hierarchy of shop stewards was more developed in steel than in tubes. The steel works EETPU convener as unofficial district secretary had, like the AUEW district secretary, a jurisdiction covering the Corby site. Without becoming involved in the complexities of trade union structure and government, it nevertheless has been well established that the size of union organisation puts influence into the hands of officials.(28 and 29) Furthermore, the tubes works convener, it was reported in several interviews, met the shop stewards more regularly to discuss on going issues, and was nearer to grassroots opinion. Therefore, it would appear that the form of union organisation was a significant influence upon the leadership qualities displayed by the respective shop stewards.

A second difference between steel and tube works was in the collective bargaining arrangements and wage structures. Collective bargaining in tubes was more fragmented with each unit of plant (eg. plug mill, continuous weld, etc.) having its own tonnage bonus. Hence, departmental shop stewards were more directly engaged in negotiations with engineering management, whereas in the steel works the tonnage bonus for all maintenance workers was based upon melting shop output. Thus, the collective bargaining structure in the steel works was more standardised and centralised. Overtime was another issue allowing greater scope for informal departmental bargaining in tubes, where the normal week was fifteen shifts compared to twenty one in the steel works. The upshot of these differences was to place a larger degree of influence in the hands of the senior lay union officials in the steel works, and thereby greater scope for them to exercise leadership qualities.

Another structural difference between steel and tube works was in their respective technologies. LR Sayles has argued (30) that technology and the resulting patterns of work organisation are major variables influencing work group behaviour. Therefore, it is reasonable to ask, how useful is the Sayles theory in explaining differences in behaviour between steel and tube works maintenance workers?

Steel and tube works craftsmen constitute the same occupational groups (eg. electricians and fitters), using the same skills to perform essentially the function of maintaining machinery. Consequently, there was no significant occupational difference to explain their varied behavioural response to productivity bargaining. However, within the respective works some occupational differences did exist. For example, the percentage of boilermakers, semi-skilled and unskilled workers was higher in steel.

Hence, the leaders of the steel unions had more to gain for their semi and unskilled membership from a productivity agreement. Such grades would benefit from upgrading in earnings and status. This benefit was not available to tube leaders to the same extent. However, the steel unions had more to lose in terms of job relaxation. Furthermore, although the craftsmen constituted the same occupational group, the technology of the respective works was different.(31) Earlier this Chapter showed that the steel works was technologically more integrated than the tube works. This technological difference appears in addition to influencing people's behaviour, also to be an important factor influencing the works collective bargaining and wage structures. The integrated work flow in steel seemed to encourage workers to identify with works output for tonnage bonus purposes, whereas the output of the discrete plants in tubes, caused the craftsmen to identify with their units for tonnage bonus purposes. Therefore, it would appear, that the respective works collective bargaining and wage structures were partly shaped by the different technologies. In this way the collective bargaining and wage structures are intermediate variables coming between works technology and the behavioural response.

Sayles also argues,(32)

'Where the plant lacks any strong occupationally oriented work groups, the union leader tends to be more independent of the members judgements and feelings. This independence can result in the development of highly cooperative relationships with management which might be doomed to failure in other situations where the prejudices and fears of specific rank and file groups would cause the overthrow of any officer who was too much in the graces of management.'

At Corby, the steel works provided greater occupational differentiation than did the tube works. Yet it was the steel union leaders who developed

the cooperative relationships with management. This, as argued above, was due to the homogeneous collective bargaining arrangements and to the greater hierarchical union organisation in the steel works. Nevertheless, the Sayles argument coincides with that of this thesis, for both arguments show that the greater the degree of autonomy exercised by work groups, then, the more difficult it is for the shop stewards to give leadership which is not in conformity with the work groups immediate short term interests as perceived by the groups. Both arguments also accept the importance of the technology as a factor shaping structures and relationships within these. However, a difference does exist between the two arguments. Sayles attributes work group behaviour (ie, his conservative, strategic, erratic and apathetic) to differences in technologically shaped occupational groups, whereas this explanation places less weight upon occupational groups and more on differences in collective bargaining and wage structures arising partly from differences in technology. As a result, the tube works stewards were forced to coordinate union activity nearer to the grassroots. Consequently, they could not ignore to the same degree the challenge to management prerogatives from the work groups. Therefore, the stewards' response to the new issues when they arose, such as training, was to seek an extension of joint regulation. This extension of collective bargaining helped to legitimise their behaviour. On the other hand, the steel works with its more centralised trade union and bargaining structures, enabled the convener with his favourable attitude to productivity bargaining to pursue a more independent line. Hence they ignored their members' challenge to management's prerogative, and accepted productivity bargaining on management terms.

In answer to the above question, it can be said that the Sayles' analysis has been found helpful in explaining the interaction between

certain structural variables and behaviour. However, whereas Sayles gave weight to the influence of technology and the associated occupational groups, this argument emphasizes the significance of the interactions between peoples' motivations and the structural factors of technology, internal management organisation, collective bargaining arrangements and trade union structure.

Thus, the hypothesis emerging here is not deterministic as can be shown by the tube works shop stewards challenging at the informal level management's traditional right to decide certain issues. Moreover, the steel works' union leadership exercised a conscious choice in deciding to ignore the informal challenge to management prerogatives, and in accepting a form of productivity bargaining which secured for management their traditional rights. The opposition of the tube works convener to productivity bargaining is partly explained by the existence of more autonomous work groups which kept him closer to rank and file opinion, and partly due to his own assessment of his members interests. This question of the relative importance of the leaderships' consciousness interacting with structures as an influence upon behaviour will be examined again in the next Chapter.(33) Meantime all the hypothesis explains is that these aspects of structure are important in influencing behaviour, and that the scope for leadership to exercise choice is more difficult in some structures than in others. How the stewards (and for that matter management) interact with these structures would appear to depend upon their values and how they perceive their interests at a given point in time. These perceptions in turn are influenced by a variety of wider social variables including, neighbourhood, education, social class etc., but fundamental to them is a concern with the in-plant groups' economic interests and status.

In these terms management's primary commitment is to profit and economic efficiency and to achieve this they sought control. Management at both steel and tube works attempted to secure these objectives through productivity agreements. Of course, this is not to argue that management have no concern with employee security. Many company personnel policies would refute that argument, but they are secondary to the primary interest. On the other hand, the trade unions gave primary commitment to security of income and employment, and to this end the union sought control. The tube works stewards perceived their interests to lie in resisting job relaxation and mobility clauses of the productivity proposals, and in securing control by an extension of joint job regulation in the wage structure and training areas. However, the unions primary commitment to job security is not to argue that they will not in certain circumstances advocate efficiency. This clearly happened in the steel works where the shop stewards cooperated with management to improve manpower efficiency. But, even here it would be a mistake to perceive the steel works shop stewards as giving priority to management's main goal at the expense of their members. For given the stewards perceptions of their members long term interests, and also the wider technological threat to steel production (and all that implied for the Corby community), their primary commitment was still to the job security of their members. However, their ability to exercise leadership and to take this longer run view was influenced by the internal structural variables discussed above.

References

- (1) The Guardian, 19/3/79
- (2) Corby was the first integrated steel works to be built in Britain.
- (3) Referred to in Chapter Two.
- (4) Referred to in Chapter Three.
- (5) From one of the company's older industrial relations managers.
- (6) The Guardian, 19/3/79. 'In addition to being Scottish, Corby town is also completely working class and is an island bypassed by the country's major road system'.
- (7) See reports carried by the Daily Telegraph 7/1/71, Steel News and the local Evening Telegraph 8/1/71.
- (8) JH Goldthorpe et al, The Affluent Worker: Industrial Attitudes and Behaviour.
- (9) NUBF, Rule Book, rule 8
- (10) NUBF, General Secretary's Report, April, 1976.
- (11) EETPU, National Conference for the Iron and Steel Industry, Abridged reports are published.
- (12) NJTUISC, September 1949. The appendix to this document lists all districts covered and Corby is not mentioned.
- (13) The AUEW had procedure agreements in the mines and minerals (craftsmen and mates); iron and steel works (craftsmen and mates); Lancashire and Corby (craftsmen and mates); tube works (craftsmen and mates); extended surface table (craftsmen and mates); EN Wrights(craftsmen).
- (14) The AUEW rule book gives the District Committee authority to endorse and recommend the use of sanctions to the union's National Executive Committee. This authority is often misunderstood by shop stewards and the membership as giving the District Committee power to make a dispute official. In fact, only the Executive Committee has authority to make a strike official and to pay strike benefit. This situation is further complicated as under the rule book a District Committee denied Executive backing can appeal to the union's Appeal Court. This latter body can reverse a decision of the National Executive. Such an event happened at the Hoover factory at Cambuslang near Glasgow in 1974. Therefore, the scope for membership confusion is considerable.
- (15) E Owen Smith, op cit, chapter 6. At Port Talbot productivity bargaining commenced in late 1964.
- (16) Magenta Document, agreement two.

- (17) Corby management denied keeping strike records in this period.
- (18) Walton and McKersie, op cit, chapter 8, part 2.
- (19) A Flanders, op cit, page 137.
- (20) See page 150 which records the change in the national officers position viz-a-viz Corby.
- (21) GG Somers, Bargaining Power and Industrial Relations Theory, quoted in G Bain and HA Clegg, A Strategy for Industrial Relations Research in Great Britain, BJIR, March 1974.
- (22) This attitude conformed to the later NCCC thinking as it applied to the MEUMM proposals.
- (23) A Flanders, op cit, page 235.
- (24) NCCC, Proposals for Nationalisation, April 1967.
- (25) JA Banks, Marxist Sociology in Action, 1970.
- (26) Walton and McKersie, op cit, page 290.
- (27) T Cliffe, The Employer's Offensive, This contains many criticisms of productivity bargaining.
- (28) SM Lipset et al, Democracy and Oligarchy in Trade Unions, in WEJ McCarthy, Trade Unions.
- (29) R Hyman, Industrial Relations, A Marxist Introduction, Chapter 3 .
- (30) LR Sayles, Behaviour in Industrial Work Groups.
- (31) Technology here is taken as plant, equipment and associated work patterns.
- (32) LR Sayles, op cit, page 114.
- (33) M Jackson, Industrial Relations, pages 24-27, and R Hyman, Strikes , pages 66-73 discuss this problem.

Chapter Six

The Corby-Wide Productivity Programme, 1970-74

The Corby-Wide Productivity Programme (CWPP) initially aimed at covering all manual workers, although subsequently several white collar groups (excluding management) entered the programme. This Chapter deals mainly with the agreements for manual workers, and consists of five parts. Part one analyses the objectives and development of the CWPP's strategy, and in particular the audit phase. The Corby audit refers to the investigation for potential savings. Part two considers the design of the programme and highlights its structural features. A third Part deals with problems arising out of negotiations with the trade unions, and in implementing the programme. The fourth Part is concerned with the evaluation of the programme's results, including an analysis of its collapse towards the end of 1974. Then Part five returns to the hypotheses developed in the previous Chapter with a view to further refinement and to testing their validity.

In addition, the Corby-Wide Productivity Programme was the only one of its type ever attempted in the British steel industry, and a close examination of the programme may provide lessons for future policy within the British Steel Corporation.

Part One, Objectives and the Audit Phase

The objectives of the programme arise out of the problems highlighted in Chapter Five. The earlier phase of productivity bargaining had attempted

to solve these problems but had been unsuccessful for various reasons; either the programme had lost its momentum, as occurred in the case of the steel works maintenance personnel, or the programme had created more problems than it had solved. It seems desirable therefore to recap the argument and outline the objectives of the programme.

Certain technological innovations in steel production and in the international transit of iron ore shifted the costs of steel production in favour of the coastal works. This change threatened to make Corby a high cost steel producer, and thereby eliminate steel production at this inland location. In addition, the product market had become increasingly competitive. Faced with these changes Corby management saw the need for a new initiative in productivity bargaining. Thus, the major objective of the Corby-Wide Productivity Programme was to "reduce the labour costs of the product". The cost saving target was put at £2.00 per tonne by the Corby group director in 1971.

If improved efficiency was the primary objective of the programme the second was to improve the climate of industrial relations. During the years 1968-70, the works had suffered from several major strikes by both production and maintenance workers, and by 1970 a period of stability was clearly needed. The strike activity along with the fragmented and autonomous bargaining structure assisted in making the wage structure chaotic, and the reform of this pay structure was an essential pre-requisite to stability in industrial relations. A reform of this kind necessitated a more centralised collective bargaining system. The appointment in March, 1968 of a Corby group director was the first step to unify the management organisation and to formulate a strategy to this end. However, changes in these social structures were not enough in themselves; employee attitudes had also to

be altered and this was to be achieved by an extension of employee participation. But although such participation was acceptable to management as a method of achieving their objectives, it was not considered an end in itself.

The first public announcement of the future strategy was made on 12th June, 1969 in the form of a statement of intent. This was a policy statement containing the main principles of the programme and it indicated that after an initial audit period, a plan would be drawn up for negotiation with the trade unions. The plan was to be ready by the end of January, 1970. This time schedule turned out to be wildly optimistic and something must be said about this before identifying the programme's principles.

The first sign of trouble arose when the ISTC divisional officer lodged an objection. The Financial Times reported that (1) 'the divisional officer was writing to all branch officials of the Confederation in Corby instructing them not to welcome management's plan'. This uncooperative attitude was apparently due to the fact that the local proposals cut across national discussions between BSC headquarters and the union on productivity. It is surprising that the Corporation's head office appears not to have known what was going on at Corby. Apparently Corby management had developed the policy autonomously, and had not sought head office permission to approach the unions. This was regarded seriously, as the programme contained proposals to alter aspects of the national wage structure. The upshot was a ban on Corby management proceeding further until the matter had been thoroughly discussed with head office. Eventually, permission was given to go ahead in November 1969, but only for craftsmen who had concluded their national productivity agreement in March 1969, whereas ISTC did not conclude an agreement until November of that year.

The main features of the proposed Corby-Wide Productivity Programme were as follows:

(a) A comprehensive wages plan covering all manual workers which would rationalise the existing complex wage structure and payment system by the introduction of a graded wage structure. This would reduce the number of pay rates (including bonus rates), establish rough wage relativities, and pave the way for job evaluation. The plan was proposed by the consultants Urwick Orr and Partners, and was accepted by the Corby management. At this early stage there was some thought of a progressive planned earnings increase over the period of the plan, but this idea was subsequently dropped.

(b) The second feature was the proposal to set up a Wages Policy Committee made up of the works most senior management, including the director in charge. This feature was partly inspired by the Donovan Commission's proposal that senior management should be involved in the formulation of company personnel policies.(2)

(c) The third feature concerned consultation and employee participation in the programme. It was proposed that a number of joint management/union discussion groups would be created, giving the unions the opportunity to promote ideas on ways to improve productivity. The arrangements were essentially consultative, and did not extend to joint decision making. This was revealed by two aspects: First, the ideas of the joint groups were to be submitted to the Wages Policy Committee for consideration in the wage planning process. Second, it was proposed to establish purely management study groups to undertake detailed investigations into productivity improvement.

(d) Another principle was that improvements in earnings had to be paid for by increases in productivity. To generate the information on productivity potential an audit or investigation was to be conducted throughout the

works. This information would then be used to draw up the wages plan.

The craftsmen's audit got underway in late 1969. It had been management's intention to cover all manual workers, irrespective of trade union, in the one agreement. However, it was felt that conducting separate union audits would not by itself prevent a comprehensive agreement from being established. As a result, three separate Central Discussion Groups were eventually set up: one for the craft unions, one for the Confederation, and a third for the NUBF. The Craft Discussion Group consisted of four management representatives plus the consultant and five union officials.(3) The remit for the Craft Discussion Group was as follows:

'The discussion group will explore ways and means of increasing productivity and exchange ideas and views about requirements for an improved wage structure, stability of earnings and security of employment for workers across Corby'.

With trade union involvement in the audit, management experienced the first pressure to alter their original programme design. They had emphasized joint consultation and management prerogatives, but the unions wished stronger employee participation. Consequently, several important changes were made to the conduct of the audit. Firstly, eleven Area Craft Discussion Groups were established to work with the audit study groups and to report to the Central Discussion Group. This idea was not new and had first emerged under the Magneta Book agreements. Secondly, the study groups which management envisaged as purely management bodies became joint groups. Hence union representatives became deeply involved in the detailed investigations on how to improve efficiency in the various units throughout the works. In this way the degree of employee participation was extended under the Corby-Wide Productivity Programme.

Another important innovation arising out of trade union pressure was the extension of the audit from manpower to all other resources including fuel, materials and equipment. Again, this suggestion was excepted by management, and was a change from the original statement of intention which referred only to reduced labour costs in the product.

The craft audit took eleven months to complete, this was considerably longer than the six months envisaged in the statement of intent. However, audit progress was reasonable and by December, 1970 some 70% of maintenance workers had been covered. Moreover, the craftsmens' investigation finished well ahead of that of the production workers. The audit findings, based largely upon work measurement, showed the main source of productivity improvement arising from increased manpower utilisation. Actual performance was in the area of 36% utilisation. Converted to a Performance Index this equalled 60 compared with the potential of 100. Also, the investigations showed that not all of the 2,200 maintenance personnel could be made to improve performance to this extent, and that a more realistic figure was 1,390 who might achieve this target. Given an increase from 60 to 100 Performance Index, for 1390 men, the calculations suggested a manpower surplus of 550 men.

Savings on the basis of these calculations amounted to £725,000 with an extra £110,000 from secondary improvements related to production/maintenance flexibility. Further savings from consumable items, improved plant efficiency, etc., was put at £1.55 million. Thus, after three years of operation, it was estimated that the CWPP could save from maintenance operations some £2.25 millions.(4) From this calculation it was estimated that after three years the payment per craftsman would be around £4.60 per week. This estimate was later revised down to £4.20.

However, the craft audit met with difficulties which delayed progress. One delay was the craftsmens' strike of June 1970, causing the union to withdraw from the audit between 27th May and 18th August. Management's objective of having one comprehensive agreement for all manual workers was another reason for delay. They wished to finish both the craft and production audits at the same time, and these got badly out of phase. Therefore, management attempted to delay the completion of the maintenance audit, a tactic which was to bring its own difficulties. Another problem was the hostility of certain shop stewards to the Corby-Wide Productivity Programme concept. This resistance was, particularly noticeable in the tube works, where the earlier phase of productivity bargaining had met with only limited success. Evidence of this difficulty is contained in Table 6.1 which records the audit's progress up to April, 1970.

Table 6.1

CWPP, Maintenance Audit Reports to April, 1970

Area Discussion Groups	Percentage of Studies Completed
Blastfurnaces	90%
Iron and Steel Workshops	90%
Coke Ovens	60%
Rolling Mills	50%
Steel Works	50%
Tube Works Shops	No Progress
Continuous Mills	10%
Lancashire and Corby	90%
Minerals	80%
ERW and CD Mills	No Progress
Civil Engineering	70%

source: Urwick Orr Consultant

So uncooperative were the tube workers at the study group level that management developed the tactic of using Area and Central Group meetings to make advances.

The production audits which were going on simultaneously during 1970, also experienced difficulties. One problem concerned representation on the Confederation's Central Discussion Group. Management had insisted that the number of union representatives be kept down to six persons to facilitate discussion and problem solving. This rule effectively excluded from direct representation many of ISTC's twenty three branches some of which felt slighted. The union's representatives were elected by the Corby Joint Branches Committee. This problem did not arise with the NUBF, for each of the five lodges had direct representation on their Central Group.

At Area Discussion Group level there were eight Confederation and three blastfurnace groups. Area Group objectives were the same as those of the craft workers, namely to promote study groups, bring local knowledge to bear, and to report progress to the Central Groups. Also, trade union involvement in these groups was extensive, as with the craft unions.

However, trade union involvement to this extent did not go unchallenged by middle management, some of whom felt their authority as managers was threatened. This was particularly so with the production worker's audit where emphasis was on the improvement of plant efficiency and material usage, and less on manpower aspects: areas which lie within management's prerogative. Consequently, the operation of Area and Study Groups allowed a manager's subordinates to scrutinize his running of the plant by identifying inefficiencies. Therefore, managers holding a traditional view of their rights felt insecure in this more participative set up. Certainly, resentment and opposition existed, but given the hierarchical nature of authority within management and its associated power distribution, this opposition was rarely shown openly.

The Urwick Orr consultant also played an active part in the audit. Ideas for improving productivity came from both management and trade union participants, but also from the consultant who tried to achieve improvements. The consultant helped to decide priorities regarding resource allocation to specific projects and ideas. In the early days those projects generating the fastest payback were favoured most. The consultant would summarise the conclusions and write up audit reports for discussion at Area and Central Group meetings. Another important aspect of the consultant's work was to promote at every opportunity the CWPP idea and to play down the contributions of the various sections. In other words, the consultant, and indeed the audit, had the subsidiary goal of helping the participants to widen their horizons beyond their immediate work groups, and thereby to help to persuade them to accept the Corby-Wide Productivity Programme. To assist with this and to facilitate discussions on the wage plan, a moratorium was placed on departmental level productivity bargaining.

The production audit progressed slowly, and by February 1971, 74% of production operatives had either been covered by audit reports, or an audit was in progress. Of the 2,591 operatives covered by audit reports, 1,459 had their work studied in detail, and this revealed a potential manpower saving of 14%. Also the use of production operatives to take over minor routine tasks from the craftsmen would improve manpower efficiency. The audit identified 180 such job tasks. A third area of potential savings lay in improved plant performance through higher yields, that is, a larger output from a given input and lower material wastage. Nevertheless, by February 1971, some 814 (12.6%) operatives remained to be covered by the audit, and a further 871 (13.5%) refused to cooperate with the programme.

What difficulties made the latter group oppose the production audit? As mentioned previously certain branches were excluded from the Confed -

eration's Central Discussion Group, and some of these felt aggrieved. One such branch with a status problem was Corby No 1, which covered the melters, the traditional aristocrats of the industry. This branch had entered the programme early, but on failure to secure direct representation on the central group, decided to come out of the audit in April, 1970. Another difficulty arose with No 2 lodge of the NUBF who left in February, 1970. This lodge refused to accept work measurement. The other major difficulty arose out of the moratorium placed on departmental productivity bargaining. This resulted in opposition from a number of branches who felt they could do better for themselves by bargaining in the traditional way. These branches included the electric furnace, rolling mills, general services and the continuous weld branch.

The first phase of the audit was drawn to a close in March, 1970 and to mark the end of phase one the role of the Urwick Orr consultant was altered. A new consultant was appointed who was an employee of the Corporation and Urwick Orr continued to be represented on site by a senior consultant who advised management on the programme's development. Moreover, about this time it was decided to develop the audit on a continuous basis which had not been the original intention. The initial plan was to identify savings, draw up a wage plan, and negotiate this with the trade unions. The decision to make the audit continuous was a major change of strategy which influenced the subsequent design of the Corby-Wide Productivity Programme.

Part Two, The Corby-Wide Productivity Programme, Design and Structure

This part describes the essential structural elements in the design of the programme. The structure was designed to achieve the programme's

objectives as described in Part One above. The main elements are the implementation structure; the monitoring system and financial aspects; the comprehensive wage structure; communications system; and disputes procedures. However, these elements never constituted a blue print designed by management to be applied rigidly. The Corby-Wide Productivity Programme was always controversial and developed in a flexible and continuing fashion. It was the subject of BSC head office interventions, and also trade union attitudes continued to develop and change with consequences for it. In addition, from time to time management itself was not always clear on how to tackle certain problems. Hence, the structural elements dealt with in Part Two are subject to marginal changes as the programme developed.

The Implementation Structure

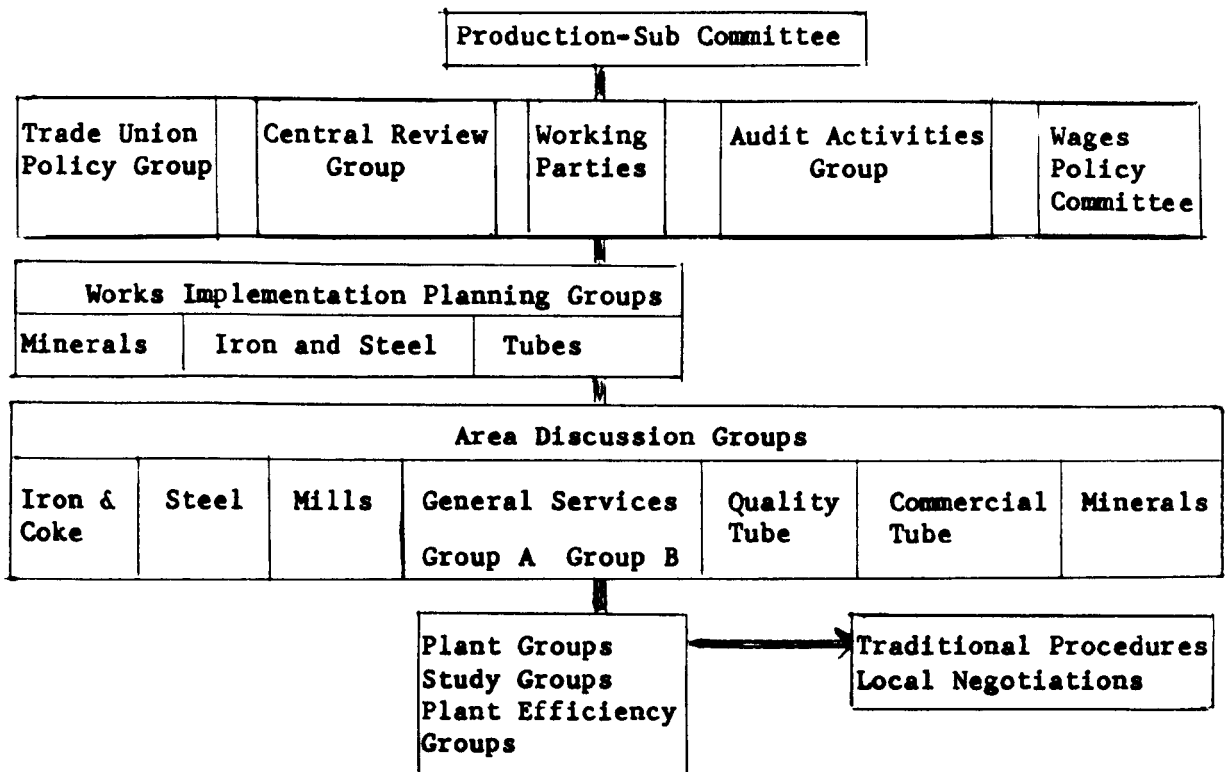
It was management's intention to establish a Central Corby-Wide Productivity Council as the governing body covering all trade unions on site. The inaugural meeting was held on 13th January, 1971. In addition, subordinate Committees at works (that is, minerals, steel and tube works) and plant levels were set up. The Committee structure conformed to the management hierarchy with the central body chaired by the director in charge, the Works Committees by the respective works managers and the Plant Committees by the departmental managers. The first Central Council meeting was arranged for 3rd February, 1971.

The craft unions and four branches of the ISTC failed to turn up to this first meeting. Their refusal to participate in the programme at this stage will be traced in Part Three. However, due to their non-participation, the Central Corby Council did not materialise and the meeting decided to reconstitute itself as the Production - Sub Committee. Thus, the door was

left open for the craft unions to enter the programme at a later date. This meeting decided to commence the tasks of drawing up a draft productivity agreement, and a graded wage structure. To this end two working parties were constituted to discuss the issues in detail and to report back. Hence, owing to the non-participation of the craft unions, the analysis in this part relies heavily upon the work of the Production - Sub Committee.

The production union agreement dated 22nd February, 1971 refers to the eventual establishment of a Central Corby Productivity Council, and to the continuation of the discussion group structure. Meantime the Production-Sub Committee was to develop and implement the agreement. On the management side, the most senior personnel were represented, including the Corby managing director, senior works managers, and the group industrial relations manager. On the union side representation consisted of eight Confederation branch officials, five NUBF lodge officials, with one from the GMWU. In addition, both ISTC and NUBF were represented by their full-time officials. Again, this conformed to the Donovan Commission's ideas for full-time officer involvement in the making of company level agreements.(5)

The Production - Sub Committee, as the governing body of the agreement, met once every three months. Its authority included the right to ensure that the programme functioned properly and satisfied the terms of the agreement. It held ultimate responsibility for the promotion of audit work. Also, the Committee dealt with the financial aspects including the monitoring of savings, and the negotiation of their distribution. Further, the Sub Committee defined the implementation structure and the terms of reference of the subordinate committees. The implementation structure is illustrated in the next diagram.

Diagram 6.1Implementation Structure of the Corby-Wide Productivity Programme

The functioning of this complex structure requires some discussion, and the purpose of the various bodies needs to be explained.

The Central Review Group was smaller than the Production-Sub Committee and met more regularly. As a sub committee it dealt with routine work which included the screening of problems to relieve the top Committee of work. The emphasis was on integrative solutions, although negotiations did occur at Central Review. This emphasis on integrative solutions was inherent in the philosophy of the programme, and reflected an active attempt to find a correct answer based upon the facts of the situation, an approach that has been analysed by Mary Parker Follet and enshrined in her concept of "the law of the situation".(6) Other problems concerned disputes over the interpretation of the agreement. In addition, Central Review monitored the monthly performance results (described later), and stimulated the Area

Groups to improve productivity. It also had a role in deciding priorities regarding the implementation of plans and ideas. The Audit Activity Group was more concerned with the technical problems of the audit and with providing opportunities for ideas to develop. It also had a coordinating role on audit implementation across site, and reviewed directly the results of the study groups and the audit consultant. The Trade Union Policy Group was the unions' central policy body which liaised with the trade union branches, and coordinated their activities regarding the CWPP. The Wages Policy Committee already discussed was the senior management body concerned with the programme.

Moving down the implementation structure to the Works Implementation Planning Groups and the Area Committees. The former corresponds to the general works manager level in the organisations' hierarchy. Works Implementation were primarily responsible for working out the detail of implementation plans. This included coordination of audit activity within the respective works and deciding priorities between audit plans. Moreover, they had the authority to alter datums (described later) which had been found to be too hard to achieve in the light of experience. Works Implementation also monitored the work of the Area Committees, and worked in close liaison with the Central Review Group. These bodies also had a negotiating function.

The Area Groups' primary objective was to stimulate efficiency within their respective areas. In this context ideas for improving efficiency would be discussed and specific projects either given to Plant Groups or Study Groups. Further, Area Groups had a responsibility for ensuring that audits agreed at Works Implementation level were in fact implemented. They also monitored performance figures under the agreement.

At the bottom of the structure were the Plant Groups sometimes called the Plant Study Groups (not to be confused with the Plant Efficiency Groups). The Plant Groups conducted studies given to them by the Area Groups and reported progress to them. These bodies were important, for changes can be discussed at Area level and above, but have to be implemented at shop floor level and the Plant Groups had the task of securing rank and file involvement in the agreed changes.

The Plant Efficiency Groups were the only multi-trade union bodies covering all unions under the programme. As a result, they did not come directly under any specific agreement within the CWPP. The Groups' existence arose out of overlaps or grey areas resulting from the various agreements. To illustrate: problems arose if a craft union had little incentive to implement a certain change since it gave little benefit to themselves, although significant savings were possible to the production workers. Since no Central Corby Productivity Council existed to coordinate and tackle such problems, the job had to be done at plant level, by Plant Efficiency Groups.

The above covers the main implementation elements designed to achieve the programme's objectives. However, this structure applied only to the production unions, and not to the craft unions who refused to participate in the Central Productivity Council. Eventually the craft unions concluded their own agreements, although not as one joint body. In fact, there were three craft union agreements; one for the mini-crafts, that is, UCATT (AUBTW), BRTS, and the bricklayers labourers; and one for the AUEW, and EETPU respectively. In terms of structure all four agreements contained elements similar to each other. Although the AUEW insisted on their central committee being known as a Negotiating Committee and not the AUEW-Sub Committee to avoid comparison with other unions.

Clearly management did not achieve a unified structure under the Corby-Wide Productivity Programme, although they did obtain some strong similarities between the various agreements. All the agreements had their hierarchy of committees which management deemed necessary to promote employee involvement and commitment to the programme. Also, they felt that this committee structure would improve productivity and also assist in the reduction of absenteeism, labour turnover, and possibly strikes. On the other hand, the implementation structure took up a lot of management's time, and also that of the lay union officials, several of whom were virtually full-time. Part four of this chapter will consider whether or not employee participation through the implementation structure positively improved performance.

The Monitoring Mechanism

Another main structural feature of the programme was the mechanism designed to monitor performance. The consultants had earlier favoured a value added scheme, but this was rejected by the Wages Policy Committee as too complex. Senior management felt that a method of measurement nearer to the standard costing system favoured by the Corporation would be easier for middle management to work with. The system adopted was based upon plant yield, speeds and stops, and level of expenditure.

A datum year, 1970/71, was decided upon to measure costs incurred on the criteria of yields, speeds and stops, and level of expenses.(7) Then, the datum year was used to compare with actual costs in subsequent years, and the deviations (called productivity variances) recorded. The datum year was adjustable to allow for changes in raw material prices, national wage awards and other cost changes outwith Corby's control. Further, adjustments

could be made to datum if cost reducing capital expenditure took place.(8)

The measures of yields, speeds and stoppages were regarded as efficiency factors, whereas levels of expenses as cost factors. Yield was the relationship between material entering into the manufacturing process and the output of acceptable tonnage. Thus, if operators took greater care the ratio between the two would improve the yield, that is, a given output would require a smaller input. However, in measuring yield two qualifications were taken into account. First, an allowance was made for the effect of stock adjustment. This proved necessary as some output initially considered defective was rectified and made acceptable. Second, output declared scrap was not totally lost from the process, and could be recycled replacing scrap which otherwise would have to be bought from elsewhere to produce steel. Yet a third factor complicating the simple ratio was the concept of material usage efficiency. Appendix 1 shows how the calculation of this measurement was used. Its introduction was necessary due to changes in product mix between current and datum years. For without the material usage efficiency equation a predominance of easy products in the datum year measured against difficult products in the current year would produce a loss, although the plant could be working with equal efficiency on both occasions.

The speed of working was defined as the measure of the production rate during the hours that the plant was manned, less delays. Again speed variances were affected by different products, and a formula similar to the material usage efficiency was constructed. This speed efficiency was designed to integrate the different speeds on the various products. Thus a positive variance was recorded when there was a saving of time in the current period for producing the same output to datum.

Stoppages were defined as the time lost to production due to mischance, change in product size, meal breaks, and mill roll changes. It excluded time lost due to a fall in demand for the product as the plant ceased operation for certain shifts. Stoppages were not influenced by changes in product mix. They were measured as a percentage of time lost against planned manned hours, and by comparing current time period with datum. This calculation is shown in Appendix 2. However, the measure was not appropriate for continuous production plants such as the coke ovens, where a speed calculation was used. For example, so many ovens pushed per man shift.(9) Finally, speed and stoppages measurements were closely interrelated, for if speeds were under recorded then delays showed larger than actual.

The level of expenditures covered items like wage costs, tools, materials fuel consumption, consumable items such as gloves, and the hire of plant from contractors. A formula had to be found to obtain a measure of comparative efficiency between expenditure levels at datum and in the current time period. This was achieved by deciding upon a determining factor for each expense item which produced a calculation on a per unit basis. For example, with wages, the determining factor was hours worked; whereas for electricity consumption it was per tonne of steel charged. In this way a calculation showing monthly expense allowances could be arrived at for comparison with expenditures.

These physical results were converted into financial returns by the accountants. However, although the physical results were available on a monthly basis (results were available at the start of the next but one month) the financial results were monitored on a six monthly basis.

The distribution of savings was agreed at a 50% split between the

Corporation and the unions. The initial plan was to work the agreement, monitor on a six monthly basis, and then negotiate a distribution with the unions. However, the principle that there would be no payment until savings were earned was lost in the negotiations. As a result, an interim productivity payment was paid to each participant based upon a savings forecast and not actual results. Therefore, when the six monthly financial results became available the first call made against the savings was the cost of the interim productivity bonus. If savings were in excess of these interim costs then a balancing item remained. This was available for two possible uses. Firstly, an additional lump sum could be paid to each employee covered by the agreement. Alternatively, the sum could be put into reserve to sustain future productivity payments during adverse times.

The monitoring system described above was shared by all the trade unions at Corby, although as mentioned previously there were four separate manual agreements. There were exceptions however to the common monitoring system. Each agreement monitored expense savings separately, and the production agreement allowed savings arising from demanning to be dealt with outside the expense variance structure. Nevertheless, all the unions accepted the common payment under yield, speeds and stoppages, because it was not possible to identify their specific contributions. On the manning side, the production agreement provided for the following distribution of savings:

- (a) Up to 30% of manpower savings were available to the branch/lodge concerned to assist with job grading within the graded structure.
- (b) A further 20% of savings were allocated to the central fund to finance the CWPP productivity payments.
- (c) An extra 10% was made available to the Corby income security fund - a

fund which worked on the same principle as the national income security agreement (described in Chapter Four), but improved upon it. Hence at Corby, if a person was redeployed owing to job loss, his previous earnings were sustained for sixty weeks (assuming the new job was lower paid) at 100%, compared with eight weeks at 100% under the national agreement.

The craft unions productivity agreements contained several differences compared with the production agreements. On the manning issue no agreement proved possible with the craft unions. A further difference concerned the level of production activity at which monitoring ceased. Under the production agreement the monitoring of savings stopped when the strip mill came down to sixteen shift working. Management argued that below this level fixed costs were rising per unit of output and out-weighing any benefit from monitored savings. Moreover, it was illogical to attempt to reduce stoppages and improve speeds at such low levels of activity. The unions would not accept management's argument on this point, although the EETPU and the mini-crafts agreed to set up a joint working party to discuss the problem.

To conclude, the monitoring mechanism can be regarded as an important design feature aimed at shifting the collective bargaining arrangements in the direction of increased centralisation in the absence of a Central Corby Productivity Council. Therefore, although a unified implementation structure was not achieved, all the unions were operating within a uniform monitoring system with some minor qualifications. Furthermore, this change in the collective bargaining arrangements encouraged closer working within management and between the different branches and unions.

A second important advantage of the monitoring system described above was the scope it provided for the extension of employee participation. In effect each unit of plant in the works was a monitoring cost centre. These units discussed the detail of productivity improvements and explored the reasons for the productivity variances. Consequently, all the benefits said to flow from employee participation such as higher productivity, reduced absenteeism, lower labour turnover, and fewer strikes, were potentially available.(10) Whether this potential can be fully achieved or indeed whether the proposition is valid will be considered further in Part Four of this Chapter.

Before leaving the monitoring structure something must be said about a possible disadvantage of the system. Clearly from the above analysis of yields, speeds and stops and levels of expenditure, and in particular the use of the materials usage efficiency formula, the monitoring system was complex and remote from the average employee. The following quote from R McKersie (11) referring to the operation of a similar agreement makes the point.

'Even though the committee understood the workings of the ratio, and an outside accountant was used, there was a general suspicion of the bonus calculations in the firm. This was increased by making allowances for the product mix which made the system fairer but more difficult to grasp. This so sapped morale and lessened effort that production steadily declined and Bridge had to abandon the scheme in mid 1962'.

Thus an important question to be considered in Part Four must be whether or not the Corby experience was any different.

The Wages Structure.

Reform of wage structures have been an important feature in many productivity agreements, and Corby was no exception. One important management objection was to reduce the number of pay rates, a factor generating disorder at Corby. Moreover, it was thought that the greater rationality of a graded wage structure would assist the development of job evaluation in the future. Management had hoped to develop a comprehensive wage structure covering both production and maintenance workers to help contain wage drift in the case of the craftsmen.(12) Also, the new wage structure aimed to establish a more uniform division between time and tonnage bonus elements. For, as shown previously, the percentage of bonus varied greatly from one work group to another. Other objectives were to enhance the stability of earnings for some groups, and to secure greater flexibility and mobility between people in the same grade.

The method chosen was simply to accept the current earnings distribution and to slot jobs with these earnings into agreed grades. Thus, no attempt was made to grade jobs according to job content as required by various job evaluation techniques. Therefore, most of the existing wage anomalies were built into the graded wage structure. Moreover, with such a complex job structure, anything short of a full points rating method of job evaluation was likely to prove difficult to implement.(13)

The number of grades to be adopted was the subject of some debate, with management seeking twenty, and the Confederation and the NUBF thirteen and seven respectively. Finally, the parties agreed on nineteen grades with £1 gaps or steps. The total range went from £16.50 to £35.50 with some highly

paid jobs excluded from the structure. Moreover, because the graded structure was Corby-Wide, men on the same promotion line in any particular department were not necessarily in succession in the graded structure. For instance, the electric furnace had people in grades 1,3,5,6,7,8,9,10,11,12 13, and 17, whereas the EWSR plant had personnel in grades 1,5,7,8,9,11,12 13, and 14. Generally the bottom grades 1 to 3 were filled by labourers, and the coke oven and blastfurnace departments were more than proportionately represented in the lower grades; in fact, the senior operatives in these departments only reached grades nine and ten respectively. On the other hand, the strip mills and tube works occupations reached into grade thirteen and above.

Another feature of the graded structure was the 80/20 percent split in the basic shift earnings. This was to apply above grade five as grades three, four and five had common datal and bonus rates, and grades one and two no bonus at all. Changes in basic shift earnings, to conform to the 80/20 division, were to be negotiated at departmental level. Finally, the production union agreements contained a ceiling on wage increases of twelve percent in any one year. This measure was to safeguard the Corporation from wage comparison claims outwith Corby.

The graded wage structure, like the monitoring system aimed at centralising collective bargaining at Corby. Once accepted, the production unions agreed to forgo local wage bargaining, except within the framework of the CWPP. However, certain problems remained even within the graded structure. Savings arising from production manpower reductions were outside the expense savings variances and up to 30% of such savings could be retained by the local branch to remove wage anomalies under the graded structure. However,

in practice branches were likely to keep the whole 30% to themselves. Thus work groups with jobs less skilled than others, but with scope to negotiate demanning could raise their relative earnings and secure a higher grade. The only solutions to this problem were either to change to a more thorough job evaluation scheme or a further reduction in branch autonomy.

Yet another problem was the integration of production and maintenance workers onto the same wage structure. Maintenance workers had had their own five grade structure since the time of the Magenta Book in the steel works, and since 1970 in tubes. But, a major difficulty arose over the different elements in the respective structures. Production workers were paid the same datal (time) plus a bonus per shift, and both these rates were increased by a multiplier to obtain weekly earnings. Also, the shift multiplier included allowances for shift work and week-end work. On the other hand, the maintenance workers had an hourly rate, but a weekly bonus which carried no extras for overtime, shift or week-end working. This difference had little effect upon relative earnings, but when it came to integration presented a major problem. No doubt the craft unions would have accepted extra bonus for shift and week-end working, but management's problem was to get them to accept a reduction elsewhere. Management could not easily solve this problem; they delayed and the situation changed, as will be seen in the next part of the Chapter. Consequently, the concept of a comprehensive wage structure was lost, and both production and maintenance groups retained separate structures.

The Communications System

The complexity of the Corby-Wide Productivity Programme made a good communications system essential to its success. The main channel through

which information flowed to junior management and employees was the implementation structure itself. Given the large number of committees it was assumed that a big proportion of employees would participate in this direct way.

The second most important channel of communication was through the trade unions. Management's strategy was to train selected union officials in the details of the programme, and provide an appreciation for other employees. To facilitate trade union communications concerning the programme, "report back facilities" were made available to the unions in the Corporation's time. The Trade Union Policy Group met regularly to discuss union attitudes to the programme, its progress, and any intended changes whether initiated by management or the unions. In addition, policy group representatives reported back group discussions to their own unions, again in Corporation time. These report-back meetings also provided an opportunity for rank and file members and less senior lay officials to channel ideas, criticisms, and attitudes back to the policy group. Further, policy group members, in their own time, would attend branch meetings to discuss the programme when the occasion demanded it. Other facilities provided to union officials, concerned payment for lost time at work due to attendance at meetings. These facilities were classified into long (a whole day) or short (a half day), and each committee had its designated facility, such as the Production-Sub Committee which had long facilities, and the Study Groups short facilities.

Another communication channel was line management itself. However, no special arrangements were made to involve lower line management. In fact, in the early days of the programme middle and lower management had no representation on the higher committees.

The final, and in many ways the most novel communications medium of the programme was the establishment of a Joint Publications Group. This body had the responsibility for the publication of a regular news sheet and for posters designed to carry information on the programme. In this way management hoped to give rank and file employees an appreciation of what the programme was about. The news sheets published for the first time in November, 1971 contained concise and accurate information on the programme's design and operation, and were easily read and understood by the employees. They further brought to the attention of the employees ideas for making savings. The posters were fixed on notice boards throughout the works. These carried less information but were eye catching and punchy in design.(14)

These were the major channels through which information on the CWPP was conveyed to the participants. It would appear that senior management had a clear strategy on this matter and had consciously designed a proper communications system. Moreover, they believed that good communications not only improved people's understanding and therefore involvement in the programme, but would integrate the aspirations, needs and interests of employees with those of the organisation.(15) This attitude appears to have had an ideological basis, partly due to the genuine paternalism of the old Stewart and Lloyd's company and, partly to management's interest in securing trade union cooperation. Moreover, this managerial ideology has received theoretical support and respectability from the writings of the human relations academics referred to previously. A cautionary note however, has been made by Alan Fox (16) when he points to the dangers of management seeing difficulties in failing to achieve objectives as being due essentially to poor human relations. Such a conclusion could cause management to devote resources to solving a problem for which improved communications was not the appropriate answer.

Conflict Resolution Procedures

The Corby-Wide Productivity Programme in no way infringed the parties' rights to use the industry's traditional procedures. For example, under the graded wage structure the slotting of jobs into grades and the negotiation of the 80/20 division in data/bonus earnings were dealt with at departmental level, with unresolved disputes rising to higher levels in the procedure. Again disputes over manpower savings could and did go the length of the Neutral Committee. Nevertheless, with a complex plan like the CWPP, departures from the traditional procedure were inevitable owing to the inadequacies of the programme. As a result, clause ten of the Production Productivity Agreement allowed for disputes arising over the interpretation and application of the agreement to be referred to the Production-Sub Committee. This clause, subject to acceptance by the local branches, was permitted by the national productivity agreement dated November, 1969.

Another problem to arise under the CWPP concerned the functioning of the Neutral Committee procedure. One of the Neutral Committee's essential features is that the panel consists of two management and two union representatives from outwith the district where the dispute has occurred. Consequently, Neutral Committee members had no experience of the CWPP, and often they did not understand the implications of their decisions concerning a specific dispute for the total programme. This was a considerable cause of dissatisfaction.

A further procedural implication to arise out of the CWPP was the branch officials heightened awareness of the interdependence of the various production units. Traditionally, if one work group or branch stopped work

resulting in others losing work it fell to either the full-time official or the Joint Branches Committee to promote the interests of those affected. Under the Corby-Wide Productivity Programme the Trade Union Policy Group as a central institution saw a role for itself in safeguarding production, and the interests of those affected by a sectional work stoppage.

Thus, procedural innovation came to Corby in the form of a Production Advisory Panel in February, 1972. This was a management initiative which offered the parties an alternative route to the industry procedure to resolve disputes over wages, demanning, changes in working practice, etc. The panel's decision making powers were limited to recommendations and to voluntary acceptance by the parties. As such, use of the panel did not formally deny the disputant party access to the traditional procedure. Nevertheless, the panel offered benefits over the Neutral Committee of speed, and experience of the programme. The panel itself consisted of three management and three union representatives not directly involved in the dispute. The management panelists were chosen by the group industrial relations manager, and the union representatives by the appropriate full-time union officer. The procedure was formal with both parties submitting written evidence within seven days of making application for a hearing. After receiving both written and verbal evidence the panel retired to hammer out an agreement in closed session. The panel's recommendation was then given in writing to both parties. The Advisory Panel was initially set up as an experiment for six months, and its success will be evaluated in Part Four.

The Production Protection Procedure, a further innovation, was established in June 1973. This Trade Union Policy Group initiative was intended to bring quick conciliation to disputes between local management

and union branches/lodges. Management considered the term 'conciliation' too strong and the name 'protection procedure' was adopted. This was an informal procedure but it was worked out in great detail. The procedure established a team of three trade union policy members who were available to be contacted by either management or branch if a dispute was affecting production. After the initial contact, the group industrial relations manager and the trade union policy team would decide if the protection procedure should be initiated. Once underway, the union team sought to establish the facts by interviewing the parties separately, and formulate a view on the action required to solve the problem. Again, no one with a direct interest in the dispute was in the union team.

In this way the production protection procedure brought to bear a Corby-Wide interest upon a dispute perceived by the participants in sectional terms in order to safeguard the productivity bonus. Moreover, the protection procedure could be viewed as an attempt by the Trade Union Policy Group (with management's consent) to encroach upon branch/lodge autonomy without having the constitutional right to do so.(17) Hence, the Corby solution to autonomous union organisation and sectional work stoppages in an integrated technology was similar to that adopted at Ravenscraig Works. As at Ravenscraig, the parties were seeking informal ways to get around the formal constraints placed upon them by outdated collective bargaining arrangements and union organisation.

This completes the analysis of the Corby-Wide Productivity Programme's design. In summary there are four main elements to the design: the implementation structure, the monitoring system, the communications system, and the procedures for resolving industrial disputes. The next part of the

Chapter considers the actual negotiations between the parties and the problems encountered. This analysis will throw light on the difficulties experienced in the achievement of this design.

Part Three, The Negotiations and Problems Arising

The purpose of this part is to trace the progress of social change leading to the establishment of the programme analysed previously. Of specific interest are changes in the collective bargaining arrangements, wage structure, trade union organisation and the attitudes of the unions to the Corby-Wide Productivity Programme. In particular, attention is given to negotiations between the parties, dealing first with the production unions, and then with the craft unions.

Production Unions, Negotiations

Given the difficulties with the craft unions, to be described subsequently, management decided to continue the programme with the production unions. They made this decision on two grounds. First, the statement of intent with its audit and moratorium on departmental level bargaining had raised the production workers' expectations regarding the programme. A refusal to conclude an agreement would have caused frustration, and would have been seen by the production unions as the craft tail wagging the dog. Second, management hoped that with production workers' receiving benefits under the agreement the craft unions would come in. Thus, management decided to go ahead without the craftsmen, although this reduced the chances of achieving one comprehensive productivity agreement. Having decided to take this risk it was then decided to press ahead with three features of the programme.

On 22nd February 1971, the productivity agreement was made covering the implementation structure, monitoring mechanism, and on the contents of appendix A. This appendix to the agreement contained a list of rules and restrictive job practices which management either wished to change or to reinforce. These included rules relating to changing shifts on the job, meal breaks, mobility and flexibility, union facilities and so on. Given the extensive audit period there was no major differences between the parties on these issues, but there was a difference over the financial settlement. The unions pressed for an immediate payment, arguing that they had been engaged in the audit for a long time and required something to revive their members' interest and faith now that negotiations had started. However, this was contrary to the principles of the Corby-Wide Productivity Programme which had been designed to be self financing. Moreover, it was also contrary to clause 7 (2) of the national productivity agreement which stated that 'no payments will be made in advance of implementing (productivity) changes'. The difference between the parties was resolved when management agreed to make a payment of £25.00 per man from the date that the agreement was signed. Of course, this was a misinterpretation of the national agreement, but it had the effect of putting pressure on the branches to accept the draft agreement. The £25.00 was financed by the Corporation and met from savings subsequently generated by the agreement.

Another dispute concerned the 50% split of savings generated by the programme. Management had initially offered the unions a share of one third, with the unions claiming 60% of the savings. As mentioned in the previous section the agreement arrived at paid the unions 50% with the exception of manpower savings. The formula agreed for manpower savings was up to 30% retained by the branch, 20% plus going to the Corby-Wide

pool, and 10% to a separate fund for financing redeployment payments. This device of the branch obtaining up to 30% of manpower savings must be regarded as a significant carrot offered to the advocates of branch autonomy. In effect, it allowed for a degree of decentralised productivity bargaining within a centralised framework, and thereby strengthened the hand of the Production-Sub Committee in its dealings with the branches remaining outside the programme. Notwithstanding this, some branches continued to prefer the previous phase of productivity bargaining when they could secure 50% of manpower savings.

The second agreement on Employment and Income Security was concluded on 22nd April, 1971. Under the national productivity programme an agreement on employment and income security had been concluded between the Corporation and the Trades Union Steel Industry Consultative Committee (TUSICC), in December 1969.(18) There were two important items in the local agreement. Corby management gave an undertaking of no redundancy. Second, a person redeployed to a lower paid job would have his income sustained at 100% for a period of sixty weeks. This compared with eight weeks at 100% under the national agreement. However, the local agreement was funded from the unions share of the savings.

The third feature of the programme was the Graded Wage Structure which proved much more difficult to achieve. The graded structure which covered all production workers aimed to rationalise the wage structure, provide greater stability of earnings, and increase mobility of labour within the respective grades. It was estimated to cost the Corby management about £300,000 with an average increase of 65p per man per week. Of course, as the approach was to slot people into a nineteen grade structure with £1.00 differentials the actual increase to anyone person could

range from one penny to ninety nine pence. With this cash at stake the unions were exerting pressure upon management to implement the graded structure.

On the other hand, management resisted this pressure on the ground that the objectives of the graded structure could only be achieved if all the branches were participating in the programme. At this time, September, 1971, Nos 1,3,12 and 17 branches remained outside, and also part of No 2 Lodge. Management's tactic was to put pressure upon the recalcitrant branches by using the unions. Moreover, to reinforce this pressure, an offer of 2p per hour was made under the productivity programme, if everyone would accept the graded wage structure. The unions responded by cooperating at times with management to get the deviant branches to conform, and at other times by threatening to withdraw from the programme. This tactic, on the productivity bonus, was difficult to hold in the longer term, and management finally agreed to pay the 2p per hour in September, back dated to July, 1971. However, this, as explained in Part Two, was an interim productivity payment to be charged against the monitored financial results when they became available in November.

In October, No 12 branch joined the programme, but others remained opposed, although every effort was made to obtain their compliance. For example, official union pressure was brought to bear on No 3 branch (continuous weld) which initially signed the productivity agreement, accepted the £25 and then withdrew. The ISTC National Executive discussed the matter and instructed the general secretary to write and inform the branch that they had compromised their autonomy under the agreement. Subsequently, in February 1972, management decided to implement the graded structure provided that these branches signed the agreement. At this point No 17 branch entered the programme.

Unfortunately, a further difficulty arose in the form of retroactive payment. Management wanted to pay from the date when the individual branches had signed the agreement. However, the unions wanted a common date of implementation and at one stage a £25 payment per man. This argument was settled on the basis of £20 per man with extra payment to those branches who were entitled to more by management's criterion. For instance, the coke ovens lodge received a payment of £31.23 per man. These payments were financed from the Corporation's share and not from the unions share of the programme. At last, some thirteen months after the first negotiating meeting, the agreement was fully operational, although Nos 1 and 3 branches and part of No 2 lodge continued outside.

Serious discussions concerning the entry of Nos 1 and 3 branches' commenced in May, 1972. No 1 branch had tried to negotiate their own productivity agreement outside of the programme, but management refused to cooperate. Consequently, the branch reversed its attitude and in April sought entry to the programme claiming a payment of £100 per man. In addition, they sought assurances over direct representation on the Production-Sub Committee. The £100, argued the branch, was the sum received by those who had participated since February, 1971. Also at this time No 3 branch were adopting a conciliatory attitude and claiming a £75 entry payment having been paid the initial £25.

However, difficulties surrounding Nos 1 and 3 branches' entry did not confine themselves to these two branches and their entry price. The idea that the two branches which had been obstructive to the programme's development should receive the same payments was unacceptable to the cooperating branches. The initial positions of the parties showed the participating branches taking a harder line than both the management and full-time union

officials. The participating branches insisted that the No 1 branch entitlement was £25 entry, £20 minimum graded structure, and the current productivity bonus. The full-time officers were simply in favour of finding a working solution. On the other hand, management proposed that No 1 branch be paid £45 for entry, the graded structure, the productivity bonus, plus a further £20 from the "discard fund". Of course, management's less rigid attitude was due to the importance they attached to both branches being included in the programme as they were large and strategically placed in the work flow.(19)

At this point a word on the 'Discard Fund' is necessary by way of explanation. The discard fund was the term applied to that part of the general savings put aside to finance the entry of the branches remaining outside the programme. Given the nature of the monitoring system (that is, yields, speeds and stops) it was not possible to specify the source of savings as belonging to any branch or union. Hence, unless the monitored savings were to increase in proportion with the entry of these branches, which was unlikely, then the savings would be spread out over a greater number of participants. To avoid this built in disincentive the discard fund was established, and it stood at £55,000 at this time.

To break the deadlock the Trade Union Policy Group proposed a formula whereby everyone including members of No 1 and 3 branches would receive a £20 payment. However, the discard fund was not large enough to finance this payment, and the unions suggested making use of £126,000 of savings generated in November 1971, but held back by management. In November the 16 shift clause had been activated and the monitored savings were not added to the fund.(20) This was a cause of tension between the parties, although management were technically correct in their interpretation of the agreement.

Nevertheless, management accepted the principle of a payment for everyone, but rejected the suggestion to use the November savings.

The agreement arrived at was complicated, but paid an extra £30 to the non-participating branches and promised a lump sum of £20 to the participants at the end of the April accounting period. In total No 1 branch members received £75 on entry to the programme. This was funded from 50% of the discard fund existing on 2nd April, plus a proportion of the production union savings discarded for April to June. The offer of a "pot of gold" at the end of the accounting period overcame the opposition of the participating branches and by April 1972, all the Confederation branches were participating in the Corby-Wide Productivity Programme. The exception was the 200 members of No2 lodge, NUBF, who finally entered the programme on 30th September, 1972. Therefore, the change over from the traditional industrial relations system was virtually complete.

The productivity bonus commenced at 2p per hour paid in July 1971, thus establishing the interim productivity payment. In June 1972, the bonus payment rose to 4½p per hour, and then in October to 6½p per hour. However, agreement on the hourly productivity bonus was certainly not automatic and conflict free. It will be recalled (part two) that an interim productivity payment was made prior to the end of an accounting period, usually three months in advance. When the financial results became available, the first call upon them was to meet the cost of the interim payment. As to the surplus, a variety of possible uses were available including whether to continue the productivity bonus or raise it, whether to make a lump sum payment to all participants, or to place an amount in the provisions fund to protect the productivity payment against future adversity. Generally management favoured the latter and the unions were predisposed to raising

the productivity payment and to claiming the payment of any surplus immediately. This union attitude was not as irresponsible as might at first appear. The unions thought that any surplus, from which they might benefit, might easily disappear in the future. This would appear to be an inherent conflict with this type of programme.

Another question concerned branch representation on the Production-Sub Committee, which was discussed towards the end of 1972. The Confederation wanted nineteen representatives on the Committee. Management accepted the need to increase Confederation representation, but not by the numbers suggested by the union; it proposed eleven representatives. However, a major difficulty surrounded the representation of powerful branches, such as Nol. There was no guarantee that their representation would be secured even with the larger numbers, given the existing election procedure through the Corby Joint Branches Committee. Therefore, management suggested that representation should take place on a territorial basis, that is, iron and steel, rolling mills, general services, commercial tubes and quality tubes. This idea, which almost made Nol branch representation certain, was acceptable to the union, and the final size of ISTC representation was then agreed at thirteen.

Craft Unions, Negotiations

A major objective of the Corby-Wide Productivity Programme was to establish a multi-union agreement with all unions participating on the Corby Productivity Council. Management's strategy in this respect had failed when the craft unions did not put in an appearance at the first meeting of the Council. As a result, the Production-Sub Committee was set up. Nevertheless, management continued to entice the craft unions to enter the programme with eventual success. The purpose of what follows is to trace how this change was achieved.

It was established in Part Two above that the craft audit had been successfully completed by October, 1970. Thus, the craft unions prepared for negotiations on the basis of the audit findings. In this connection the unions submitted a claim for a $33\frac{1}{3}$ productivity bonus related to their basic hourly rate. The claim was not for $33\frac{1}{3}$ in one step however, but for a cumulative build up over the three years of the proposed agreement. The unions were concerned that this minimum of one third bonus must be achieved, which was interpreted by management as a demand for a guarantee. This emphasis upon a one third minimum was explained by the craft unions' experience with the Magenta documents. For the craft unions believed they had given management a blank cheque on productivity,(21) but that they had failed to secure savings commensurate with the craftsmens' earnings expectations. Thus, the craft unions at the outset harboured doubts about management's ability to generate sufficient savings under the CWPP.

Closely associated with this wage claim was the craft unions' stated intention, made at this time, not to negotiate jointly with the production unions. This was a reversal of their previous policy and resulted for three reasons.

Audit findings showed that more maintenance savings were possible from better manpower usage, whereas production savings were to be had from improved plant efficiencies and reduced expenditure levels. This gave the craft unions the possibility of two "bites at the cherry". For example, they could negotiate a straight manpower productivity agreement, and subsequently negotiate entry to the more comprehensive productivity agreement on the basis of improved plant efficiencies.

The second factor causing craft opposition to joint negotiations within the framework of the Corby-Wide Productivity Programme was that much of the manpower savings available to production workers derived from production operatives taking over routine maintenance tasks. This was not acceptable to certain tube works shop stewards, who sought to protect their craft status against encroachment by production personnel, as indeed they had also sought to do against the graded men in the earlier phase of productivity bargaining.

A more important factor shaping craft attitudes and encouraging separate negotiations was the unsettled national situation. During this period the NCCC lodged its claim for an £8.20 per week productivity bonus for phase two deals under the More Effective Use of Maintenance Manpower.(22) This £8.20 represented one third of basic 1969 earnings. Negotiations were tough and stalemate was reached when the Corporation refused to raise the offer above £5.50 per week at 100 Performance Index. However, after considerable delay with sanctions imposed, lifted, etc., it was agreed nationally that local agreements yielding between £5.50 and £8.20 would be acceptable. Against this the Corby audit had revealed a most likely increase of £4.20 per week at 80 P.I. after three years. This was equivalent to £4.40 (that is, the Corporation's £5.50 offer at 80 P.I.) showing the Corby deal at the low end of the national range. Given the uncertainty of the national situation and also the likelihood that no self respecting negotiating body will accept less than that achieved elsewhere, it was little wonder that the Corby craftsmen's policy changed towards the Corby-Wide Productivity Programme. In other words, the craft unions either had to obtain a separate agreement to augment their productivity bonus before entry to the CWPP, or negotiate outside of it completely. Obviously, management in trying to achieve one comprehensive multi-union agreement had a very difficult problem to handle.

Moreover, it was unlikely that the production unions would allow a separate deal with the craftsmen to be followed by the same agreement as that negotiated with themselves.

Yet another difference between the craft and production unions in terms of timing was their respective attitudes to the number of jobs to be lost under the CWPP. By 1971/72 at national level the Corporation's rationalisation programme was beginning to bite and between vesting day and April 1971 some 10,140 job opportunities had been lost.(23) Rank and file workers were protesting throughout the country and at River Don Works, Sheffield, due for closure, the unions won an important victory in 1972. Rising rank and file protest encouraged national union leaders to take a tougher stand against redundancy and job loss, although not to oppose the rationalisation programme.(24) By April 1973 the National Committee of the AUEW (engineering section) voted to 'organise the fullest possible support to all unions resisting closures' in the industry.(25) Consequently, this rising tide of labour unrest throughout the industry was to influence events at Corby and the Corby craftsmen (in particular those in the tube works) were the first to articulate it.

The Corby management formally rejected the craft unions' claim for a one third productivity bonus resulting in the latters' withdrawal from the programme in December, 1970. The disputes procedure was invoked and the parties arrived at the Corporation's head office in March, 1971. The meeting referred the claim back to local level with a recommendation that the unions seek a reasonable increase in earnings through a form of cost reduction programme. Subsequently, during May and June discussions were held to evaluate savings and in July serious negotiations commenced.

In the period July to December considerable progress was made covering all aspects of the programme, including the consultative structure, graded wage structure, monitoring mechanism, the form of the interim productivity bonus and balancing payments, planned maintenance, and job practice changes. All that remained was the size of the interim productivity payment. In December management offered 2p per hour - approximately £1.10 per week to the twenty one shift rota worker - which was rejected as too low. To avoid another deadlock management proposed setting up a working party to draw up a detailed implementation plan. The purpose was to identify savings which could be obtained quickly and thereby justify an increase in the interim bonus beyond 2p per hour. This tactic to bring forward savings had not been used with the production unions.

The implementation plan gave priority to the lifting of certain restrictions, changes in job practices, reduction in the use of contractors and in overtime hours worked, and to the introduction of job cards for the planning of maintenance work. Unfortunately, the savings produced neither came near the £8.20 claimed by the NCCC nor satisfied the local craftsmens' committee. Again negotiations broke down during April and relationships between the parties deteriorated. At this point the probability of management concluding an agreement within the framework of the Corby-Wide Productivity Programme seemed remote.

The deadlock was broken by a change in management tactics which, although successful in obtaining craft union entry to the programme, also brought an end to cooperation between those unions. Craft union cooperation had commenced in the steel works over the Magenta Book and had developed further under the CWPP audit. However, two years of talking productivity with nothing tangible to show for it was putting a strain on joint craft union

working. For example, the old sore between AUEW and EETPU over the latter's lack of cooperation under the Magenta Book, whilst obtaining the same payments, was again opened up. Also, the UCATT(AUBTW) had nursed a discontent viz-a-viz the engineering unions from the earlier productivity phase. This union had not been a party to the Magenta documents resulting in a wage differential between them. During the stalemate the AUBTW saw an opportunity to conclude a deal with management and to eliminate the wage differential. Consequently, a quid pro quo was agreed whereby management obtained the entry of the mini-crafts (that is, AUBTW, BRTS and ISTC brick-layers labourers) and in turn the unions obtained the wage increase. Thus the mini-craft unions entered the programme on 2nd June 1972, and accepted all its cardinal principles. In addition, the mini-crafts obtained the undertaking that if the other unions came into the programme on improved terms, they could renegotiate.

Meantime the AUEW and EETPU had split, and their negotiations continued in parallel throughout the period May to September. The electricians were first to conclude an agreement, officially entering the programme on 30th July, 1972. Given the EETPU insistence upon £8.20 at 100 Performance Index, management proposed a two step approach to the union. The idea was to separate out the manpower performance aspects at the centre of the national disagreement from the yields, speeds and stoppages. In this way progress could be made on the monitoring and participation elements which were common to all the unions. In other words, the £8.20 stumbling block should relate to manpower performance and expense aspects, to be dealt with subsequently.

In financial terms management had raised the productivity bonus from yields, speeds and stops from 2p to 4½p per hour. Subsequently, an offer

of 2p per hour was made as an expense payment. This brought the productivity bonus up to 6½p per hour, equivalent to £3.57 per week to the twenty one shift rota worker. The union had now rejected the two stage approach and the argument centred upon the weekly bonus level. The union, of course, had no hope of winning anything approaching £8.20 per week, but was desperately trying to raise the weekly bonus payment. The eventual solution to the problem was to convert the entry payment - paid to others as a lump sum - onto an hourly rate basis. This amounted to 3p per hour worked (not paid) which for twenty one shift workers brought the weekly payment up to £4.80. The extra 3p was to run from August to June 1973, when it would be discontinued. However, it was hoped that the need to discontinue the payment would not arise due to increased savings from the programme.

By August 1972, the AUEW was the only union remaining outside the programme. The union's attitude throughout the year had got increasingly hostile. Given that the programme could not satisfy their earnings expectations, the engineers attempted several tactics to break out of the CWPP. One tactic was a claim for a straight increase in tonnage bonus. The EETPU had lodged a similar claim. Management rejected this on the grounds that since the national productivity agreement of 1969, it was policy to consolidate the tonnage bonus into the hourly rate.(26) Subsequently, all local additions had to be productivity bonus payments. At the rejection of their claim the union intimated their intention to impose sanctions, including lightening strikes, days of complete safety working, and a ban on week-end working. By 14th June management sought the intervention of the union's divisional secretary, who got the sanctions lifted and discussions continued.

The AUEW's second play was to submit a draft efficiency proposal. This was an orthodox productivity submission containing items which the union

was prepared to trade off in return for the 6½p bonus. This was a more positive proposal which conformed to the national agreement. However, its philosophy differed from the Corby-Wide Productivity Programme, and further it offered much less to management for the 6½p than was required under the programme. In addition, the union made it clear that it wanted nothing to do with the monitoring mechanism of yields, speeds, stoppages and expense levels. In response management welcomed the union initiative, but insisted that the monitoring system and other main principles of the programme be included in any settlement. Clearly, management had decided to stand firm on the programme's essential features.

In addition to the earnings aspect, the engineers' hostile attitude to the programme centred around the question of no job loss. Management had given the production unions a guarantee of no compulsory redundancy, but this was not enough to satisfy the AUEW. It was recorded above that the programme's proposals to give certain maintenance tasks to production workers caused anxiety. Other aspects of the CWPP added to this concern. For example, the proposal to centralise certain maintenance services on a site-wide basis held implications for job loss. Moreover, the rising rank and file hostility throughout the country to works closures and redundancies reinforced the Croby craftsmens resistance. However, within this 'anti-programme' policy of the union the emphasis varied between steel and tube works regarding the causes of the opposition. Both shared the earnings and 'no job loss' objectives but on flexibility/mobility and overtime aspects the tube men took a tougher line. Also, the proposal to introduce twenty one shift rota working into the tube works would reduce overtime there, where craftsmen worked overtime every week-end. These differences not only made management's task of securing an agreement more difficult, they also generated conflict within the District Committee itself.

The AUEW eventually entered the programme on 23rd August, 1972. How did management achieve this?

The financial settlement played an important part in securing the AUEW's entry. The union obtained the 6½p productivity bonus plus the £75 lump sum paid to Nos 1 and 3 branches of ISTC. However, a problem arose over the funding of the £75 lump sum. Whereas the original participating branches and lodges were (after an argument) prepared to finance part of No1 and No3 branches entry, this attitude did not extend to the craft unions. The Corporation had financed £45 of the production branches entry but this left a shortfall of £30 for the crafts. This shortfall was financed by a neat piece of accounting footwork on management's part. It was decided to pay the craft unions one month retrospective payment (in the AUEW's case for August) amounting to £20, and draw a further £10 from the "Discard Fund". The £20 retrospective payment was questionable enough but it was the £10 which drew the production unions attention. Management decided that with the entry of the mini-crafts to the programme in June a craft Discard Fund should be established. The production unions did not agree with this line of reasoning. Management had agreed with the unions that they would be consulted over the terms of craft entry in order to protect the interests of the production unions who made their agreements earlier. Of course, technically management did consult the production unions, but not on certain critical points which included the cash settlement and from where the cash would come. Eventually management admitted their mistake in drawing from the Discard Fund, and the Corporation had to finance the £10 per head per craftsman. But by this time the AUEW had entered the programme.

However, the cash nexus is only part of the explanation bringing about the AUEW's entry. Just as important was the use of tactics and external

pressures by management. Management's tactic to do a deal with the mini-crafts was to divide the craft unions; this along with EETPU entry had the effect of isolating the AUEW. This injured the local AUEW's credibility in the eyes of their national officials who perceived the District Committee as a stubborn obstacle to the implementation of the CWPP. Therefore, the national officials exercised their influence on the District Committee to secure a settlement. Moreover, the local AUEW had become "boxed in" having already used the procedure agreement in early 1971, and been told to seek a settlement on a cost reduction basis. When this option was closed they attempted a straight tonnage bonus and a 'buy out' productivity approach. These avenues management successfully blocked by their commitment to the Corby-Wide Productivity Programme.

In this situation the engineers had only one way forward, to secure the best financial deal, and to save as much face as possible. On the latter point the union insisted that the agreement contain no reference to the programme, and that the central body be named the Engineering Committee and not a Sub Committee of the CWPP. Further the union refused to have a clause referring to the development of a sick pay scheme as this would have associated it with the other trade unions. Another difference reflecting their more militant stand was on the methods of rota working. On this the AUEW established joint regulation rights and not the consultative rights contained in the other agreements. Nevertheless, on all the vital areas of principle the CWPP was accepted by the AUEW.

On the 23rd of August the agreement was reached, but it still required ratification by the membership. This was arranged in a way that would have overcome known opposition to the deal, and provides an interesting insight into how the union delivered the agreement.(27) On Tuesday 29th

August the agreed proposals were put to a mass meeting of all craftsmen on the site by the district secretary with a recommendation to accept. At Corby, up to this point, wage issues had always been put to the membership by their respective negotiators in the steel works, tube works, minerals, etc. On this occasion the negotiations covered the whole Corby site and the District Committee could legitimately put the issue to the whole membership. This decision provided a built-in majority in favour of the agreement as the most determined opposition came from the tube craftsmen who were in a minority. Some tube works stewards felt that this method of voting was wrong, and that the matter should have been remitted to the various sections.

The strength of the opposition made itself felt, however. According to the local press, (28) 'As the mass meeting broke up 200 tube works engineering workers held a meeting of their own where they decided not to accept the decision of the majority'. However, the 'die was cast' and with the combined weight of a mass meeting, a District Committee decision, and the national officials of the union against them, the tube workers finally accepted the Corby-Wide Productivity Programme.

Finally, before leaving the analysis of the manual workers negotiations a brief word concerning white collar workers is required. Initially the CWPP was not meant to cover white collar staff who had their own wage and salary structure. A part of the white collar pay structure was the annual salary review, and it was management's intention to compensate staff for any programme success by means of the salary review. However, during 1972 and 1973, the Upstanding Wage personnel (that is, chargehands on semi-staff conditions) claimed the CWPP bonus. Management refused to grant the claim and the chargehands imposed sanctions. These sanctions were quite

disruptive, as the craft chargehands had the support of their manual union brothers. Eventually management agreed to their inclusion only to run into difficulties with the Pay Board under the Counter Inflation Policy. A similar development took place with monthly paid staff including foremen, technical and clerical employees. Again management resisted the development, the staff branches responded with sanctions, and were finally included in the programme. The funding of these white collar payments came out of the Corporation's share of the savings.

As a result of these developments senior management were faced with two problems. The first was where to draw the line between those who contributed directly to the improvement of yields, speeds and stops and those who did not. The criterion of direct contribution which made sense conceptually was less easy to put into operation. For example, the tube division headquarters was located at the Corby works, with clerical employees doing similar work to those employed directly by Corby works. Furthermore, a strike broke out with Nol4 branch (clerical tube works) who maintained that some of their members had been classified wrongly as they made a direct contribution to the CWPP.

The second concerned management's judgement on this matter, influenced as it was by a unitary ideology. Senior management at Corby had belatedly accepted white collar trade union membership, but had not been converted to a pluralistic perspective. Corby management with a fair degree of paternalism saw nothing wrong with passing the fruits of the Corby-Wide Productivity Programme to their white collar employees through the integrated techniques of staff appraisal and salary review. Consequently, they were unable to understand and predict the development that white collar trade unionists would want the right to decide jointly with management their own productivity payment.

Part Four, Evaluation and Collapse of the Corby-Wide Productivity Programme

The results of the programme will be analysed in terms of the criteria used in Part Two of this Chapter, that is, in achieving the programme's objectives, including the financial results; secondly the programme's achievement in advancing employee participation; and thirdly the programme's contribution to improving the climate of industrial relations at Corby. In addition, the analysis will examine the reasons surrounding the collapse of the programme in November 1974, some three and a half years after its commencement.

Evaluation of the Programme including the Financial Results

One important objective of the Corby-Wide Productivity Programme was the establishment of a comprehensive multi-union agreement. This objective was not achieved. In fact, the final position was four agreements covering manual workers and five white collar agreements. Although a common monitoring system was achieved providing uniform payments from yields, speeds, and stoppages, each agreement had its own separate expense monitoring arrangements. As a result the collective bargaining arrangements became more centralised, but major divisions continued to exist and to create problems of differential payments.

Moreover, despite the separate agreements, management worked hard to establish a Central Corby Productivity Council, and senior management remained committed to this and the programme's objectives throughout its existence. Nevertheless, the separate agreements led to the proliferation of a large number of parallel committees making expensive demands upon the time of senior management. Thus, during late 1973, and 1974, management again tried

to set up a Central Council to improve and review the programme's results. It was envisaged that the Sub Committees, would remain in the medium term as negotiating bodies, but that the Area Committees would be abolished. As a strategy, management wanted to concentrate effort at plant level and improve coordination at the top. Also, it was hoped that the experience of joint union working would generate cooperation and in time one joint negotiating body.

Management submitted their proposals to the various Sub Committees, and trade union reaction appeared favourable when the Trade Union Policy Group issued a statement in November, 1973.

'It should be noted that the group has been active throughout the programme to establish a multi-union management council, and are at present still working to that end'.

However, although the formal statement came out of the Policy Group, all was not well within it. Both within the Production-Sub Committee and Trade Union Policy Group the degree of conflict was now much greater than it had been twelve to eighteen months earlier. This was partly due to changing circumstances in 1974, but also to the larger representation on the central bodies. In the latter case, the deviant branches which had opposed the programme from outside were now inside, and for that reason more influential. It was said by the participants that the climate on these committees changed from one of friendliness to one of antagonism with much inter-personal bitterness.

For their part, the AUEW and EETPU, of whose participation management had been hopeful, did not attend the joint meeting on 1st October, 1974.

These unions had signed the agreements against their will, and their hostility had continued throughout 1973 and 1974. For example, they gave support to the chargehands over the latter's struggle to gain entry to the programme. Also, they refused to implement parts of Appendix A, that is, they resisted the use of job cards, argued over the "no job loss" clause, and application of rota working. In particular, the craftsmen resisted changes involving the loss of jobs which reflected the increasingly militant attitude as it existed outside Corby. In summary, the craft unions may have been made to accept the agreement, but they showed no enthusiasm for it, nor cooperated with its implementation.

The other major external influence upon craft attitudes was the national negotiations and agreement between the Corporation and the NCCC. A new national agreement on work measured incentives was concluded on 31st October 1974, and furnished a payment of £0.25p per hour worked. This was the equivalent of £10.00 for a 40 hour week. Hence, at a time when management were offering to develop the programme, the craft unions at Corby knew of a considerable wage increase in the pipeline. Thus, with no moral commitment to continue with the programme, and no economic pressure as in 1972, the craft unions refused to support the development.

The other main design feature was the graded wage structure through which management aimed to establish a more equitable, simpler and comprehensive pay system covering all manual workers. As explained previously (page 203) this design feature was part of the strategy to centralise the collective bargaining arrangements. However, this design proved impossible to achieve due largely to differences in wage structure between production and maintenance personnel, and to the craft union attitude to the programme. As a result, management pushed ahead and won union acceptance

to a nineteen grade structure for production workers only. Another aspect of the wage structure change was to achieve a uniform 80/20 percent division in shift earnings. The purpose here being to reduce the considerable number of wage rates, and to provide greater earnings stability. This principle was agreed at central level, but negotiations were conducted at departmental level. Unfortunately, this objective was not achieved either, and in the steel works the number of bonus rates actually increased from 856 prior to the agreement to 974 afterwards. Also, the 80/20 percent split was never achieved in many areas, and divisions ranged from 67½ time/32½ bonus to 85 time and 15% bonus. This outcome was partly the result of the multiplicity of departmental negotiations, and partly due to negotiations in 1971/72 being based upon 1970 datum year earnings. Generally, outputs for most plants were lower in 1971 than in 1970. In such circumstances some groups benefit from the adjustment, whereas others regarded the proposals as reducing their bonus potential.

However, the greatest factor contributing to the failure of the production graded wage structure was the inability of the parties to resolve the wage anomalies problem. It will be recalled that under the graded structure, existing earnings had been reduced to plain shift earnings at 40 hours, and then jobs slotted into the appropriate grade. Of course, this method carried forward existing wage anomalies into the graded structure. For instance, the technique did nothing to resolve the dissatisfaction arising over the fact that a recruit into a higher paying department would obtain a higher grading than a longer serving employee, often doing a more skilled job, in a lower paying department. Moreover, this discontent was increased with the publication of the graded structure. In a steel works accurate information on specific jobs is very imperfect owing to the fragmented collective bargaining arrangements. However, with the centralised

structure and the provision of accurate information the number of alleged anomalies was much greater than either unions or management envisaged.

In response to the anomalies outcry, a joint working party was set up (early 1973), which formulated a definition of anomalies and a strategy for dealing with them. The strategy was simply to invite the branches to submit alleged wage anomalies for Grades 1 to 5, deal with these, and then progress to Grades 6 to 10 and so on. In the event it was soon discovered that the attempt to sort out anomalies, of an across site nature, by a rough job comparison method was too difficult. Increasingly, the parties came to realise that nothing short of a job evaluation scheme based upon a detailed investigation of job contents was required. Unfortunately, certain external constraints prevented the parties from adopting this solution. First, the Corporation announced its official blessing upon the Urwick Orr profile method of job evaluation, and would not allow Corby management to deviate. Second, the Corporation and the unions had conducted a pilot study at the Normandy Park Works, Scunthorpe, the results of which had been rejected by the NUBF. Hence, the NUBF at Corby would not cooperate with this method, and no progress could be made in this direction.

Faced with these external constraints, local management proposed an evaluation method based upon the zoning of jobs into groups of broad similarity. The idea was to agree grade spans for each zone and compare alleged anomalies against agreed benchmark jobs. Some progress was made in establishing benchmarks, and in the zoning of the more homogeneous groups across the Corby site. Unfortunately, difficulties arose with the more skilled production jobs, and progress came to a halt. Therefore, by early 1974, both parties were moving off established common ground and taking divergent paths. The unions continued to stick to a strategy of a

qualitative job evaluation method, and to tackle the outstanding anomalies. On the other hand, management took the view that any method short of a comprehensive quantitative method was simply solving one anomaly to create others. Also, management were very conscious of the costs involved in the unions' proposals, and were not prepared to move without an attempt to establish the costs and the benefits to be derived. Consequently, management dragged their feet, relationships between the parties deteriorated, and the wage structure became frozen.

Consideration must now be given to the programme's success in terms of financial performance. At the commencement of the programme management envisaged a £2 reduction in the cost per tonne despatched from the works. This cost reduction to be achieved by increased productivity, savings on expense items, and by a reduction in the work force. In return, it was estimated and made known to the unions that the employees would obtain a productivity bonus of approximately £4.20 per week. This was calculated on the basis of a 50% division between the Corporation and the employees.

During the first year of operation the programme provided a balance to reduce the product cost per tonne by £0.60. In the second period (April to March, 1973) the balance deteriorated even further providing an allowance of £0.30 per tonne for cost reduction. This balance refers to the savings left to the Corporation after the productivity and introductory payments had been made to the employees. These introductory payments were "one off", however, and fell markedly during the period April to March, 1974. In fact, at the time it was estimated that if savings could be sustained at the level of the previous period, then the Corporation's share would provide a balance to reduce cost per tonne by £1.30. In effect the six months to October produced

an equivalent surplus of £1.5 million, but then the programme generated a deficit of £147,320 in the second six months. This large deterioration in the balance was due to a fall in productivity in the period October to March 1974, and also because the bonus was sustained at 6.5p per hour. Consequently, the cost reduction objective of £2 per tonne was never achieved under the programme. The actual savings generated and measured under the programme are shown in the table for the monitored six months periods.

Table 6.2

Financial Savings in the Corby-Wide Productivity Programme
by Type of Saving (£), 1971-74

	Yields, Speeds and Stops	Expenses	Total
April-Sept., 1971	£197,727	£159,780	£357,507
Oct-March, 1972	£551,515	(£ 78,379)	£433,136
April-Sept., 1972	£445,502	£307,030	£749,532
Oct.-March, 1973	£926,921	£538,239	£1,465,157
April-Sept., 1973	£716,102	£774,832	£1,490,934
Oct.-March, 1974	(£232,601)	(£ 19,719)	(£252,320)
April-Sept., 1974	£ 34,624	£447,841	£482,465
Total	£2,639,792	£2,129,624	£4,726,411

source: BSC, Corby Works

The table reveals that the monitored savings totalled £4.7 millions, rising progressively from April, 1971 to September, 1973 after which a deterioration set in. As mentioned above the deterioration was due to the decline in works productivity and to the Corporation sustaining the bonus during this period. In more detail, the productivity decline was the direct result of the fuel crisis associated with the coal miners strike of the period. This strike caused the use of unsuitable coking coal in the blast-furnaces. Hence, by the middle of 1974, Nos 1 and 2 blastfurnaces had chilled hearths, No3 was out of production for a rebuild, and No4 was giving

problems. Consequently, iron output fell to around 4,000 tonnes per week which compared with 21,000 in the previous year. These blastfurnace problems in turn affected the rest of the work flow, and the strip mill output came down from 830,655 tonnes per week in 1973, to 414,772 per week in 1974. Of course, management tried to off-set this by importing steel into Corby, but the programme had suffered a major blow. In terms of monitored results the programme moved back into the black during the period April to September; however, the deficit continued to build up.

As mentioned previously the productivity payment of 6.5p was sustained during this troubled period and in fact, was raised to 6.96p per hour. This increase came out of a formula for payment purposes proposed by management and agreed with the trade unions. The formula paid half the difference between the old and new productivity rate, subject to a $\pm 1.5p$ range, in any six month period. Management in introducing the formula had two objectives in mind. Firstly, the formula provided an automatic mechanism for adjusting the six monthly payment, and this would reduce if not eliminate negotiations. Secondly, management had envisaged difficulties in negotiating a reduction in the productivity bonus and felt that the formula would facilitate such an eventuality.

As a result by March 1974, the Corby-Wide Productivity Programme after three years of operation had generated savings of £4,234,946 million, but had paid out £4,527,922 leaving a deficit of £283,976. Furthermore, the situation continued to deteriorate during April to September, 1974. To sustain the productivity payment and to avoid deficit the programme needed to earn around £800,000; in fact, only £482,465 was saved. Therefore, the unions achieved the larger share of the savings; that is, more than the 50%.

initially agreed. In fact, just prior to the financial deficits, the unions share was running at 71% after one year, 81% after year two, and 79% by September 1973. These figures appear to indicate that the unions had done well out of the programme.

However, it will be recalled that the audit phase of the programme had furnished an estimate of £4.20 per week for each worker after three years of participation. The next table provides some information on how near the programme came to fulfilling this aim.

Table 6.3

Bonus Earnings under the CWPP, 1974

Weekly Bonus Payment, 1974*	Total Overall Payment, 1971-74
Production Worker, 40 hours (paid) £2.80	Production Worker £520
" " , 21 shifts (paid) £3.85	per man
Craftsmen, 48 hours (paid) £3.36	Craftsmen £390 per man
	(includes introductory payment)

source: BSC, Corby Works

Thus the evidence supports the view that the programme not only failed to meet management's financial target of £2 per tonne cost reduction, but also the earnings target for the employees involved. In other words, the inability to achieve the cost reduction objective was not simply because the unions obtained all the savings - they also had suffered a short fall.

Of course, the programme might have failed to secure these financial objectives because it did not realise a sufficient increase in productivity. On this question there was impressionistic evidence that the programme had encountered much resistance; for example, branch and craft union opposition

* These calculations are based upon 7p per hour and increased by the appropriate shift multiplier to obtain the weekly paid payment as opposed to the hours worked payment.

in 1971-72, the opposition of some middle managers, and the difficulties with the chargehands and foremen in 1972-73. Moreover, the interview programme revealed that the audit findings, although discussed, were often not implemented. One audit concerning blastfurnacemen (front side crew) revealed a 50% manpower utilisation and proposed a reduction of 25% in manning, but the blastfurnacemen refused to accept such a reduction. This large manpower reduction would have meant demotion to the labouring pool and the possible transfer of others to another part of the works. Also, with the job loss entailed the opportunity for further promotion within the same occupational group would have been small. Thus resistance developed despite the fact that it was on manning reductions that the programme offered its strongest incentive, that is, branches could retain up to 30% of the savings. Hence, the CWPP which guaranteed no redundancy, and contained a productivity bonus aimed to encourage labour mobility and flexibility across the works had again rather limited success. Such resistance to the transfer of workers has been noted in the literature by Dan Gowler.(29) Gowler has shown that under measured day work payment, employees resisted transfer to other work for economic and cultural reasons.

The next table furnishes statistical evidence on labour productivity. The year 1974 has been excluded owing to the abnormal conditions prevailing in that period.

Table 6.4

Manning, Output and Productivity at Corby, 1966-73

Year	Manning (manual workers)	Strip Mills Output, Tonnes	Output per Man, Tonnes
1966	8,629	729,984	83.9
1967	8,543	723,497	84.7
1968	8,521	754,982	88.6
1969	8,500	771,571	90.7
1970	8,897	768,477	86.4
1971	8,714	720,378	82.7
1972	8,965	742,266	82.7
1973	8,441	830,655	98.4

source: BSC, Corby Works

Output per man fluctuates from year to year due to different levels of activity at the works. Consequently, the years 1967 to 1969, and 1971 to 1973, represent the best periods from before and during the programme, and also take account of the business cycle for comparison. These average productivity performances are revealed in the next table.

Table 6.5

Manning, Output and Productivity before and during the Corby-Wide Productivity Programme.

Years	Manning	Output	Productivity
1967-69	8,521	750,016	88 tonnes per man
1971-73	8,707	764,433	88 " " "

source: BSC Corby Works

The calculations show that output per man remained at 88 tonnes in both periods. Thus, the programme appears to have had little impact upon productivity, except that 1973 offers ground for optimism. In 1973, output rose as manning declined providing a 98.4 tonnes per man - a good eight percentage points above the previous peak year of 1969. Moreover, 1973 was the programme's best year with all manual workers participating and the blastfurnace trouble not yet upon it. However, upon further investigation it would appear that not all this increase in productivity was due to the programme. One factor contributing to the rise in labour productivity during 1973, was labour turnover. The relevant turnover figures are as follows for the whole Corby Works:-

1971, 20.1%; 1972, 16.5%; 1973, 26.4%; 1974, 27.4%

During 1972, the works labour force rose to 8,965 largely as a result of the fall in turnover compared to 1971. This had the effect of keeping the labour productivity figure for 1972 down to 82.7 tonnes per man.(30)

Then, during 1973, and 1974, the upswing of the business cycle, caused employment prospects elsewhere to improve and the turnover figures at Corby jumped to 26.4% and 27.4% respectively. Thus, a considerable proportion (estimated at 20%) of the increase in labour productivity at Corby was attributal to voluntary turnover and not to direct manpower reductions under the programme. Other less quantitative evidence existed to show that all was not well with the programme during 1973. The Trade Union Policy Group expressed concern and emergency joint management/union meetings were held to discuss the acute turnover problem. These actions unfortunately revealed an attitude of mind of defending the status quo and not in making use of the opportunity which the turnover provided. All this happened notwithstanding the fact that the audit forecast required manpower reductions of 22% and 14% for maintenance and production workers respectively. Thus, the programme was achieving some measure of improvement during 1972 and 1973, but not the productivity increases which management thought possible at the outset.

Yet another test of productivity under the programme relates to the amount of overtime worked. It was established above that during 1973, the labour force reduced in size at Corby, and output per man increased. However, this might be explained by an increase in the number of overtime hours worked. Therefore, the next table shows a comparison between the years 1971, and 1973, in respect of both manpower reductions and overtime hours worked. The tube works, where the normal week was 17 shifts, provides the best test.

Table 6.6

Tube Works: Manning and Overtime, 1971 and 1973

	Manning	% Change	Overtime Hours per man	% Change
1971	3,916		5.5	
1973	3,863	-3.99	8.1	+47.2

source: BSC Corby Works

According to this measure the Corby programme's results do not come out so favourably. Thus, again part of the significant increase in output per man hour for 1973, would appear to be due to the increase in the number of overtime hours worked. The undernoted calculation attempts to quantify the contribution of the additional overtime hours.* Thus of the original 19% increase in output (1971 to 1973) approximately 7% was due to the increase in overtime hours worked. This factor added to that of the labour turnover make the 1973, productivity figure less spectacular, although still positive at around 9%.

Therefore, in conclusion the CWPP obtained only partial success in achieving changes affecting collective bargaining arrangements, the wage structure, and the trade union and management organisations. On the cost reduction side, the generation of £4.7 millions in savings must be considered a major contribution. Unfortunately, the programme ended financially bankrupt, as it had to pay out more to the employees than it had earned. Moreover, even with the unions obtaining the lion's share of the savings the programme was unable to meet the earnings target that was forecast during the early audit phase. In the end according to this analysis the programme failed to generate sufficient savings, because it did not achieve a sufficient increase in productivity. However, notwithstanding this statement, positive increases in productivity were achieved.

* Tube Works, 1971 3916 men x 38 hours x 50 weeks = 7,440,400, plus
1,090,123 overtime hours = 8,530,523
720,378 output
8,530,523 hours = 0.08 tonnes per hour

Tube Works, 1973 3863 men x 38 hours x 50 weeks = 7,339,700 plus
1,567,079 overtime hours = 8,906,779
830,655 output
8,906,779 hours = 0.09 tonnes per hour

Employee Participation and Communications within the Programme

The other major objective of the programme which must be assessed is its success in improving employee participation and the associated communications system. Employee participation was not an original objective of the programme, but emerged later as a means of achieving the primary aims of efficiency and stability in the industrial relations system. Participation had been encouraged through the implementation structure which included Plant and Area Groups, Study Groups, trade union report back facilities and the joint publications group. Of course, the programme's success in these terms depended upon the criteria to be used. For example, if judged purely on the contribution made in securing increases in productivity and financial savings, already discussed, then the increased employee participation had only limited success. However, other criteria are available including the results of an employee communication survey held early in 1974 to measure employee understanding of the programme; and absenteeism and labour turnover figures can also be used as indicators of employee satisfaction.(31)

A major problem with a programme such as the Corby one is its sheer complexity and remoteness from the average shop floor employee. Complexity develops with the need to ensure equity of treatment in the measurement of monitored savings. Due to changes in product mix the materials usage efficiency formula (32) had to be devised. Other complexities arose out of changes in the nature and cost of input materials, and in taking account of technological innovations. On the other hand, the employees found it difficult to identify with the programme, partly because of its complexity, but also because of the programme's immense size and range. For example, blastfurnacemen could identify with the traditional tonnage bonus based

upon furnace output, but found it difficult to feel commitment to a productivity bonus whose value depended partly upon the efforts of tube workers.

Another cause of union discontent concerning complexity arose over the monitored figures themselves. The Corporation had trained certain leading lay union officials in the details of the accounting system. Nevertheless, on several occasions the results were challenged by the union and found to be wrong. Management explained these difficulties to their own satisfaction as due to inexperience in the staff and to inadequacies in the accounting procedures. Also, a new standard costing system was introduced in April 1974, again overloading the accountants. However, from a trade union stance the figures appeared unreliable, and to be the subject of bargaining pressures. Thus arguments over monitored results tended to create misunderstanding and suspicion between the parties. One leading branch official put the matter this way, 'In theory the unions have access to the figures, but in practice management control them'.

Thus arguments about the programme's complexity and remoteness, plus a management belief that difficulties experienced in implementing the agreements were due to lack of understanding, led to the promotion of a communications survey. This survey covered shop floor employees and supervisors, and its results are now discussed in summary form. A sample population of 500 was used of which nearly 300 persons responded. Section One of the questionnaire concerned the programme's objectives and an analysis of the results revealed a good understanding of these. In particular, respondents identified the programme with the long term future of steel making at Corby. Not too surprisingly, the employees in the steel works had a greater appreciation of this point than those in the tube works.

For instance, in steel making the ranking value was 5.6 compared to 4.34 in tubes.(33)

Section Two dealt with the principles of the payment system which were again understood well by the participants. On the other hand, Section Three which contained the mechanics of the monitoring system was not well understood. In this case only 13% of the sample gave the correct response to all three questions, and 51% to two or more questions. Section Four concerned the implementation structure including the purpose and functions of the various committees. Again, this was well understood, and in fact, the survey revealed that 22% had directly participated in the programme's study groups.

Section Five of the survey covered the impact and importance of the various sources of information about the programme. From the results the news sheets and posters were shown to have had a significant impact. Moreover, the survey interestingly revealed the trade unions to be a major channel of communication, and that little confidence was placed in management as a source of information. Further, these findings applied not only to manual workers but also to supervisors.

Therefore, the survey showed both manual workers and supervisors to have a good general appreciation of the programme's operation. However, this was not proof that the employees had a detailed grasp of the programme. In particular, the monitoring system and calculation of the productivity bonus were poorly understood. In other words, respondents understood the principle that if productivity went up or down, then so also did the bonus. However, the operation of this principle was blurred by a multiplicity of

factors including interim productivity payments, entry payments, discard funds, material usage efficiency, and so on. Whether this lack of understanding of the programme's detail could be considered important for employee motivation was another matter. Certainly, management did not rely upon individual motivation in their initial strategy. This strategy placed emphasis upon works implementations plans to promote productivity, and the training of leading union officials to dispell misunderstanding and win employee commitment.

In addition, the survey revealed a gap or break in line management's communications. This was a major tactical error on the part of the programme's designers. It arose due to the reliance placed by senior management upon the trade unions as a channel of communication. Of course, union cooperation and involvement was essential, but this was no excuse for the failure to inform and involve supervisors and lower middle management. The explanation for this error of judgement had much to do with management's ideology. As shown previously, both with regard to white collar trade union recognition and this groups entry to the programme, management's judgement was influenced by their unitary value system. In other words, the assumption was that these staff groups could be relied upon to abide by the decisions of their superiors, and there was no need to make special provision for them. However, as a result of the survey, management admitted their mistake, and introduced early in 1974, a training programme for supervisors.

Therefore, a major question arising out of the Corby experience concerns whether or not such a programme which was not clearly understood by the large majority of the participants can win their commitment to its

objectives? Certainly advocates of the similar Scanlon Plan insist that 'employees must understand the results and have complete confidence in the method of measurement employed'.(34)

The second approach to measuring the success of employee participation at Corby relates participation to the indices of absenteeism and labour turnover. Certain human relations writers referred to previously (page 201) argue that individual employees have a need to grow psychologically, and are prevented from doing so by modern bureaucratic organisation structures. These writers prescribe the adoption of participative structures associated with a supportive management style so that the employees can fulfill their higher psychological needs. Given this development employees will find job satisfaction, be more highly motivated, and committed to the organisations objectives. However, the concepts of democratic and authoritarian management styles are difficult to operationalise and test in this context. Therefore, writers faced with this problem, such as Robert Gray in his study of the Scanlon Plan at Linwood, have used labour turnover as a measure. This measure in addition to absenteeism, is applied to the Corby study.

The statistical evidence on absenteeism is contained in table seven.

Table 6.7

Man Shifts lost at Corby through Absenteeism, 1969-74

Year Ending December	Iron and Steel Works	Tube Works	Total
1969	95,238	-	-
1970	92,860	83,364	176,224
Corby-Wide Productivity Programme			
1971	76,661	68,538	145,198
1972	89,612	72,744	162,365
1973	85,524	77,995	163,519
1974	78,385	51,889	130,274

source: BSC, Corby Works

The evidence shows a decline in absenteeism in all three columns. If absenteeism in the year 1970, is compared with the average for 1971-73, then the decline is approximately 16%. The key factors which might affect absenteeism, other than the programme itself are the level of output and the amount of overtime worked. For high output periods necessitate extra overtime working, which encourages high absenteeism as workers either get more fatigued or alternatively can exercise choice between work and leisure due to the higher earnings. However, at Corby output and overtime rose and absenteeism fell, as the next table shows.

Table 6.8

Output, Overtime and Absenteeism at Corby, 1970 and 1973

Year	Strip Mill Output	% Change	Overtime Hours	% Change	Absenteeism Man Shifts Lost	% Change
1970	768,477	-	1,090,123	-	176,224	-
1973	830,655	+8%	1,567,079	+43%	163,510	-7%

source: BSC, Corby Works

Therefore, in conclusion the Corby-Wide Productivity Programme can be said to have reduced the number of man shifts lost due to absenteeism, and that this may have been due to the extension of employee participation provided by the programme.

Labour turnover was the other index found to provide a measure of work satisfaction under a participative programme. However, it has already been established above that turnover within an organisation was influenced by conditions in the local labour market and that this must be taken into account. Consequently table nine furnishes information on earnings at Corby before and during the programme, local unemployment rates, as well as turnover figures.

Table 6.9

Earnings, Unemployment and Labour Turnover at Corby, 1969-73

Year	Earnings		Unemployment		Labour Turnover
	Craftsmen	1st Vesselmen	East Mid	Corby	
1969	£28.57	£27.88	-	542	32.9%
1970	£30.60	£30.84	31,900	610	25.7%
Corby-Wide Productivity Programme					
1972	£37.21	£37.25	43,000	852	16.5%
1973	£45.10	£46.09	29,800	541	27.4%

source: BSC, Corby Works

These figures show that under the CWPP earnings rose by 34.5% (that is, averaging years 1972-73), unemployment in Corby town was up 14%, and turnover fell by 19.3%. Moreover, if the peak output years of 1969 and 1973 are taken, the level of unemployment in the town was the same in both years (that is, 542 and 541 respectively), but the turnover figures are 32.9% in 1969 and 27.4% in 1973 respectively, decidedly less under the programme. Thus, when allowances have been made for changes in the level of employment in the local labour market the programme contributed to a reduction in the turnover figures.

Of course, the criticism could be raised that the Corby-Wide Productivity Programme improved absenteeism and labour turnover not by changing management's style from one of authoritarianism to participation, but by substituting a laissez-faire style. In the literature the three management styles of autocratic, democratic and laissez-faire have been identified in the work of Kurt Lewin and others.(35) However, at Corby the evidence of the communications survey clearly revealed a high degree of interest and involvement on the part of rank and file employees and a more thorough

understanding of the works operating problems on the part of lay union officials.

On earnings, the increase of 34.5% (1970 to the average of 1972-73) seems creditable, but compares with a 32% increase for all manufacturing in the same period. Thus, the increase in earnings does not appear to have been a major factor reducing labour turnover. This influence will be considered subsequently when dealing with the programme's collapse.

On the basis of this evidence, it would appear that employee participation made some contribution to achieving the programme's main objectives. The evidence is most strong when considering the indices of absenteeism and labour turnover. Moreover, the turnover aspect would seem to accord with R Gray's finding that a change in leadership style towards participation helped reduce turnover at Linwood.(36) Nevertheless, the communications survey revealed certain limitations and problems with the programme's participative aspects, and to these attention will be given later. Moreover, as shall be seen, participative programmes based upon human relations theory are no substitute for collective bargaining as a means of achieving change in industrial relations. For such programmes encourage management to seek integrative solutions to problems where none are to be had, and thereby to give insufficient attention to conflict over the distribution of resources. Meantime, consideration must be given to the wider question of improvement or otherwise of the industrial relations climate under the programme.

The Climate of Industrial Relations under the Programme

Central to the assessment of the works industrial relations climate was the degree of conflict between the parties. This requires an

evaluation of the statistical evidence, opinions of the participants, and an examination of the conflict resolving procedures.

Regarding the statistical evidence, Corby was not a fruitful source of strike statistics, although some evidence did exist compared with the position prior to 1970. Consequently, greater reliance must be placed upon other measures of unorganised conflict. Organised conflict meaning that range of collective behaviour including go slows, embargoes, overtime restrictions, etc., as well as strikes. Unorganised conflict means a range of individual behaviour including sickness, absenteeism and labour turnover. In the table below these measures are illustrated with a comparison between the years before and during the programme.

Table 6.10

Organised and Unorganised Conflict at Corby, 1969-73

Year	Corby Labour Turnover	Corby Absenteeism Days Lost	Corby Sickness Days Lost	Corby(37) Strikes Days Lost
1969	32.9%	-	-	-
1970	25.7%	176,224	84,386	121,287
	Corby-Wide	Productivity	Programme	
1971	20.1%	145,198	72,972	5,897
1972	16.5%	162,365	85,422	45,540
1973	27.4%	163,519	82,068	2,874

source: BSC, Corby Works and DE Gazette

All four Corby indices reveal an improvement under the programme compared with the years immediately before. Furthermore, in terms of working days lost due to industrial disputes the improved record at Corby runs counter to the situation revealed in iron and steel (average 1969-70, 436,000 and 1971-73, 672,000 working days lost) and for the whole of the

United Kingdom (average 1969-70 8.8 million and 1971-73, 14.9 million working days lost). Again, the improvement in all these indices adds support to the previous sections evaluation of communications and employee participation under the programme.

The statistical evidence bore out the opinions of many managers and union officials interviewed. A typical response of such people was, 'the CWPP may not have improved productivity significantly, but it did provide three years of relative peace'.

The evaluation of the disputes procedure is justified on the ground that an efficient procedure regarded as fair will help to solve problems which otherwise might reach serious proportions. During the programme three disputes procedures were in being at Corby, that is, the Advisory Panel, the Production Protection Procedure both rising directly out of the programme, and the industry's traditional disputes procedure. In addition, issues were also discussed at Plant, Area and Works levels Committees.

The production protection procedure was informal and considered by both parties to have made a useful contribution. On the other hand, the role of the Advisory Panel, was more controversial. In terms of efficiency, six cases were submitted to it, of which three of the panel's recommendations were accepted by the parties, and two rejected by management. A central problem revolved around the panel's powers or lack of them. As mentioned previously the panel, unlike a Neutral Committee had no authority to make its decisions binding upon the parties. Therefore, although quicker than the Neutral Committee, and manned by persons who knew the programme well, the defeated party could always reject its recommendation. Moreover, the unions increasingly felt that to use the Advisory Panel prejudiced their

case if they subsequently decided to take the issue to a Neutral Committee. Also, the Confederation's divisional officer was reluctant to invoke the industry's procedure on a case already heard by the Advisory Panel. Thus, the Advisory Panel resulted in strained relationships between the branches and the official union. The other problem concerned lay union panel members who might be a party to a panel recommendation made against the interest of their fellow trade unionists. Moreover, this role conflict was made more difficult by the fact that the employee panelists lived and worked in the local community. Such psychological pressures did not apply to Neutral Committee union representatives who came from outside of the town or district. Thus, the "scape-goat mechanism" whereby a local union official could accept an adverse decision and blame outsiders was denied to the participants. In fact, this was the main argument against giving the panel authority to make binding decisions. Therefore, the Advisory Panel, although efficient with a 50% success rate, was not a long term solution, and its unpopularity increased with time.

Subsequently, given these problems, national discussions were commenced to alter the Neutral Committee procedure as it applied to Corby Works. In particular, the discussions tried to overcome the problem whereby Neutral Committee members from outside Corby did not understand the implications of their decisions for the programme. In the case of ISTC a Corby Settlement Committee was agreed. This consisted of five persons including an independent chairman from outside the industry, but with knowledge of it. Also, the chairman was given the power of a casting vote. In addition, the Committee was to have the assistance of two assessors, one each from management and unions, who possessed detailed knowledge of the programme. This amounted to an interesting innovation to the

industry's traditional disputes procedure at this level, and arose out of the CWPP. Unfortunately, the Committee never got into action with the collapse of the programme towards the end of 1974.

The main inefficiency, and therefore criticism, levelled at management was the absence of clear procedural planning at the commencement of the programme. Confusion arose over which channel should be used to process a particular type of issue. For example, some plant managers would refuse to discuss industrial relations issues at Plant Committee, whereas others would. Consequently, the parties exercised a choice regarding the route through which to pursue a claim, which more often reflected their sectional interests and not those of the agreement as a whole. However, this procedural differentiation problem was partly due to the way the Corby-Wide Productivity Programme was developed. As mentioned previously, it was never a clear cut blue print designed in all details at the outset, and much of what became the programme developed from the interactions of the parties and from changing circumstances. Another reason for management's failure to plan the procedural aspects clearly was the constraint of the external procedure, and the right of each branch to have access to it. Finally, the emphasis in the programme upon cooperation and integration and not upon conflict resolution probably had some effect on management's failure to design procedures clearly.

In conclusion, the climate of industrial relations improved at Corby during the period of the programme - at least as measured by the statistical evidence given above. However, all was not cooperation and in many instances groups refused to accept changes in working practices, and several retained a negative or at least a sectional attitude towards technological change.

Moreover, if the improvement in productivity was built into the criteria of good industrial relations, then the picture gets even more clouded. On the balance of the evidence, the CWPP did improve the degree of industrial peace, but at a cost to the Corporation. The fact that the programme was in considerable debt has been established, and with that, attention can now be given to its final collapse.

The Collapse of the Corby-Wide Productivity Programme

The Corby-Wide Productivity Programme was formally wound up at a joint meeting on 15th April 1975, with an agreed termination date of 30th November, 1974. The official reason for the termination was due to the national craftsmens' agreement of December, 1974. This agreement gave the craftsmen £10 for acceptance of work measured incentives, £5 of which could be paid as a lead in payment. Thus, the programme which had taken three years to achieve a payment of £3.80 was suddenly overshadowed by this large increase.(38) In addition, the national agreement (clause two) consolidated into the hourly rate local payments, including productivity payments. Given the debt that the programme had incurred, management took the opportunity provided by the national agreement to terminate the programme. They argued that such an agreement made the programme redundant.

The unions for their part accepted the termination as they believed it to be in their economic interests to do so. Management included in the termination offer, the consolidation of the 6.96p per hour into the time rates, and agreed to wipe out the programme's accumulated debts. Of course, given the programme's deficit the unions knew that to continue must inevitably mean a reduction in the productivity bonus. Therefore, the offer of consolidation was attractive to the unions, and the termination was mutually agreed.

However, a deeper analysis reveals that the programme's collapse was the result of adverse changes in the external environment which undermined the design of the programme, and gave to those persons who had always opposed it greater influence to bring it down. These external changes had an important influence in reducing productivity and in allowing bonus earnings to fall behind the expectations of the participants. This in turn reduced morale and increased tension between the supporters and opponents of the programme.

Under the programme wages at Corby compared favourably with those in other sectors up to 1973, as the next table shows.

Table 6.11

Earnings at Corby and other Industrial Sectors, 1970-73 (1970=100)

Year	Corby	Metal Manuf.	Mech Eng.	Shipbld.	All Manuf.
1970	100	100	100	100	100
1971	-	109.2	112.1	115.7	114.6
1972	115.6	120.1	125.2	122.7	128.8
1973	143.1	144.0	142.0	139.2	143.3

source: BSC, Corby Works and DE Gazette

The table reveals Corby as keeping pace with earnings in metal manufacture, mechanical engineering, and better than in shipbuilding. In addition, the table shows that after a poor year in 1972 Corby earnings leaped forward to catch up with the other sectors by 1973. Of course, 1973 was the year that the programme was fully operational with all the branches and the craft unions participating. Moreover, a comparison with the Ravenscraig works reveals that the CWPP helped to close the gap between the two. This comparison could have been significant, as a large proportion of the Corby work force have family links with Motherwell, where Ravenscraig is located.

Table 6.12

Comparison of Earnings between Corby and Ravenscraig, 1970-73

	Corby			Ravenscraig		
	March 1970	March 1973	%Change	March 1970	March 1973	%Change
1st Vesselman, BOS	£30.84	£46.09	+49.3	£45.47	£56.13	+22.8
Keeper, Blastfce	£32.60	£44.38	+35.8	£39.28	£46.13	+17.3
Rollerman, Mills	£41.45	£56.69	+36.7	£51.24	£61.96	+20.8
Labourer, Blastfce	£21.21	£31.96	+50.4	£20.04	£27.25	+35.5
Craftsmen(21 shifts)	£30.60	£45.10	+47.3	£32.59	£44.67	+36.9
Average	£31.34	£44.84	+43.1	£37.63	£47.23	+26.2

Source: BSC, Corby Works and Ravenscraig Works

However, if this earnings comparison is extended to 1974, a different picture emerges. During 1974, earnings at Corby remained at a standstill, at a time when large wage advances were made elsewhere. For instance, the indices for metal manufacture and the all manufacturing groups rose to 159.5 and 162.7 respectively. Thus the NCCC national wage agreement of £10 per week can be viewed as just another example of the general inflationary wage settlements of the time.

Given external inflation the programme was undermined in the sense that the productivity bonus was based upon monitored savings and not a percentage of the craftsmens' national time rate. Hence, the £4.20 per week per man forecast by the audit of 1970, which helped establish employee expectations was outstripped by rising expectations fired by inflation. In other words, the £4.20 productivity bonus was by 1974 no longer the financial incentive (or motivator) it had been in 1970.

Therefore, frustration over the inadequacy of the bonus earnings grew and with it the belief that the programme was a management ploy to hold

wages down at Corby. This resentment towards the programme was further reinforced by the rising concern with redundancy and lost job opportunities in the industry. Therefore, those opponents of the programme who believed that they had been forced to accept it, acquired new arguments to mount an attack upon it. Of course, the monitoring system could have been redesigned to allow earnings to drift upwards or a new agreement could have been made, but this would have been interpreted by some managers as a sell out to the unions.

The frustrated expectations of the participants were also affected by the programme's inability to secure the increase in productivity and savings first thought possible. Again poor performance was the result of both internal and external factors. It will be recalled (chapter five) that the programme was introduced in 1969 against a background of national concern with a new technical era in the steel industry. Corby management were influenced by this idea and thought the cost reduction programme would encourage their employees to develop positive attitudes to change. However, this white hot technological age proved a myth at Corby. Certainly, some new investment was undertaken, but it was small stuff, and by itself did not require the sophisticated Corby-Wide Productivity Programme. In this sense Corby was deprived of a major advantage claimed for this type of plan.(39) Consequently, Corby management could be blamed for misjudgement on this score, if this had been the only consideration. Notwithstanding this criticism, however, the programme was the first experiment of its kind in the steel industry, and for that management can be praised for their imagination and courage in designing a plan which contained many features in line with the best industrial relations advice of the 1960s and 1970s.(40 & 41)

Another major external factor to damage the programme was the coal miners' strike of 1974. This strike, itself partly a result of inflation, caused unsuitable coking coal to be used at Corby with adverse consequences for blastfurnace productivity. This factor alone virtually destroyed the productivity potential for 1974, and although management maintained the bonus, an advance was out of the question. At this point the Corby industrial relations climate was dark with severe internal conflict between supporters and opponents of the programme. Obviously the Corby "community effect" articulated in the previous chapter (pages 129 and 132) was not sufficiently strong to sustain the programme from its opponents.

The communication aspect of the programme was another factor which may have played a part in its demise. As shown previously, aspects of the programme were complex and difficult for the rank and file to understand. Features such as the material usage efficiency, the discard fund, and the non-monitoring of savings when strip mill production fell below 16 shift working, as in November 1971, were not well understood. This point appears to be supported by the argument of Lesieur and Puckett (42) that a successful cost reduction plan must be based on every participant understanding its detail.

On the other hand, the communications survey revealed that the rank and file employee had a good appreciation of the programme and in particular of its purpose to maintain steel making at Corby. Also, 22% of employees had participated in the programme's Study Groups. In addition, the programme contained fairly sophisticated procedures for the unions to report back to their membership, and a publications group. Of course, management made mistakes and in particular failed to use lower level supervision as

an effective communications channel. Nevertheless, given the numbers of workers covered by the programme, the conclusion must be drawn that the communications system was adequate.

However, communications between people are not neutral,(43) but are often used by one party to promote its interests and to influence the other party's attitude.(44) Thus, within the Corby-Wide Productivity Programme, management and leading trade union officials, both with supporters and opponents in their ranks, used the communication channels to their own ends. For instance, opponents would argue that management produced figures on savings, and when challenged by the unions would produce new and more favourable figures. Such actions made it look as if management had used the programme to deprive the workers of bonus. Consequently, as the programme continued, the complexity, along with the criticisms of the programme encouraged confusion and mistrust between management and workers. As a result, bargaining increased, and the power struggle, operating through the communications channels, brought on the programme's collapse, rather than poor communications per se. In other words, if the CWPP had not experienced organised internal opposition and adverse external circumstances, it would probably have survived with the level of rank and file understanding it achieved.

This power struggle arose from differences in perception between those who saw the programme as an instrument for good (that is, to save Corby works and town) and those who saw it as holding back wages and destroying the traditional structures of power and status. This struggle became more acute over the programme's centralisation of collective bargaining and wage structures. This evidence has been presented earlier along with the reasons why certain branches and the tube works craftsmen in particular resisted

the programme. For instance, some branches valued their autonomy and others felt they could do better over wages if left to negotiate by themselves. These groups resented the constraint placed on their independence to bargain by the programme.

Moreover, although the behaviour which expressed opposition to the programme was more noticeable on the union side, it also existed amongst management. Senior management influenced to some extent by human relations theory (namely, common objectives, employee participation and good communications) and unitary ideology consistently failed to see resistance from staff groups whose status and economic interests were also affected by the change. For example, departmental managers had their authority to bargain with the unions reduced. This affected their status and possibly future promotion opportunities. Also, senior management failed to inform and involve the supervisors as a unionised group. Such difficulties with both staff and manual workers caused discord and hindered the achievement of productivity.

In addition, external changes adversely affected Corby management's strategy to centralise the collective bargaining and wage structures. During this period the BSC was moving towards greater uniformity and centralisation in management organisation, and also in the industry's collective bargaining and wage structures. In particular, the Corporation policy of adopting the Urwick Orr profile method of job evaluation brought proposed developments in Corby's internal wage structure to a halt. The NUBF opposed this method and therefore progress towards this form of refined quantitative job evaluation was ruled out. Consequently, Corby was forced to continue with the inadequate graded wage structure and the anomalies arising which added

to the level of dissatisfaction with the programme. In fact, it is arguable that if the Corporation had not been committed to the Urwick Orr method, then, some acceptable form of job evaluation might have been adopted at Corby.

Finally, the Corby-Wide Productivity Programme failed because senior management was unable or unwilling to adjust to the changing circumstances of 1974. The programme was designed against a background of technological threat from new investment in coastal works, and therefore, the need for management and unions to pull together to save Corby works and town. Hence the programme contained a strong human relations bias in emphasizing shared goals, employee participation and good communications. This ideology had a strong influence upon the actions of some managers, union officials and employees, but not on others who opposed the programme. The centralisation of collective bargaining and pay structures caused a lot of opposition both within management and with the trade unions, especially from groups who perceived these developments as a major attack upon their autonomy, economic interests and status. Nevertheless, given that the opposition had been defeated and forced to accept much of the programme, it probably would have survived if it had not been for the adverse external circumstances. Another factor ignored by human relations writers.(45) These external changes effectively undermined the £4.20 productivity bonus target, and destroyed any productivity improvement which might have been made in the critical year of 1974. Thus, constrained by these external factors, which encouraged even more forceful opposition, management required to adapt a more radical distributive bargaining strategy to raise wages at Corby and save the programme.(46) This senior management were not prepared to do and they decided to bow out gracefully when the craftsmens' national agreement presented the opportunity.

Part Five, The Theoretical Interpretation

The hypotheses developed in Chapter Five argues that a change in an external variable relevant to the internal industrial relations system operating at works level will create conditions triggering off a process of change within the works. Several relevant external variables were identified, including product and labour markets, the Corby "community effect", the wider technological context, incomes policy and the national productivity agreements of 1969. In the period of the formation of the Corby-Wide Productivity Programme the labour market position was easing with unemployment rising, and incomes policy was unimportant between early 1970 and November, 1972. However, all other variables continued to encourage change in industrial relations at works level. In particular, product market competition increased as did the uncertainty surrounding the technological threat. The national level discussions between the Corporation and the NCCC over the craftsmen's substantial productivity bonus claim were in difficulties. Thus, the period 1970 to 1974, was one of continued pressure to improve works operating efficiency and the stability of industrial relations.

In addition, the first hypothesis holds that certain structural variables internal to the works have an important influence upon the parties' reactions to external changes. These are the organisations of management and trade unions, works technology, collective bargaining and pay structures. Further the parties' reactions are not deterministic but influenced by their conscious perceptions and appraisal of how these external changes affect their group interests. These interests are related to the groups' economic wellbeing and status, including the need to secure control (or exercise power and autonomy) as a means to achieve or to defend these objectives.

Similarly, changes in the internal works situation might lead to a re-appraisal by the parties of their interests. Therefore, whether management or trade unions decide to accept the traditional structures or to alter them is the outcome of reciprocal interactions between technological and social structures on the one hand, and group perceptions of their interests on the other.

A second but related hypothesis argues that the greater the degree of structural autonomy and fragmentation, the more difficult it is for management or trade union leaders to secure a change from traditional to new structures. In other words, authority and power devolved to departmental managers, work groups, branches, or unions increases the probability of resistance to change. On the other hand, a high degree of centralisation and uniformity in structures could just as easily enable leaders to oppose change as to facilitate it. The leaderships' response therefore is dependent again upon interactions between these structures and their perceived economic and status interests.

Given the audit and the negotiation phases described above, what power have these hypotheses to explain behaviour at Corby? After tackling this, two further important questions are considered aimed at refining the hypotheses. First, if the various structural, economic and status factors are important independent variables influencing behaviour, which of these, if any, was most significant in the Corby setting? Second, the argument which has used the concepts of authority and power implicitly, must deal with them explicitly within the hypotheses.

From the time of the statement of intent in June 1965, managers and trade union officials at Corby knew that the programme's proposals would

place some constraints upon their traditional autonomies. Thus, from the outset of the audit, opposition to the proposals was in evidence from certain managers, branches, and trade unions. However, for the hypotheses to stand up, it must be explained why certain interest groups supported the programme as well as others opposed it.

Compared with maintenance, the production workers had a more autonomous and fragmented union organisation, and more numerous collective bargaining arrangements in terms of bargaining units and levels. The hypotheses predict that stronger opposition to the programme's proposals to rationalise the wage structure and centralise the collective bargaining arrangements would be experienced from the production workers. This appears to have happened in that the maintenance audit was finished by October 1970, whereas the production audit took longer, and even by March 1971, it was only 74% completed. Moreover, 13.5% of production personnel were opposed to the audit at that date. In other words, during the audit phase the craft unions generally displayed a positive attitude to the programme, and their more centralised union organisation and collective bargaining arrangements helped progress. Furthermore, within the craft group the hypotheses predicts that the tube works craftsmen might be expected to be the most difficult. This appears to have happened. Table 6.1 (page 187) shows their response to the audit. In Chapter Five their earlier opposition to productivity bargaining had been explained in terms of structural differences between steel and tube works interacting with their respective economic interests. In the context of the CWPP audit, 180 job tasks were identified which could be taken from the maintenance workers and given to the production operatives to increase efficiency. This was perceived by the tube works craftsmen as an attack upon their status and as undermining their economic wellbeing by proposing

to reduce protective job practices. Furthermore, the centralisation implications of the programme did nothing to relieve the tube workers anxieties since any new central Joint Craft Committee was likely to give a majority to the steel craftsmen who out-numbered the tubemen by a ratio of 2.3:1. It will be recalled from Chapter Five that the steel craftsmen did not share the tubesmen's aversion to job relaxation.

Amongst the production workers several branches and lodges opposed the programme. However, all their reactions can be explained in terms of their commitment to the traditional structures which they perceived as securing their independence and serving their economic interests. The branches wishing to pursue their own small productivity deals (47) felt that they could do much better economically by not submerging their interests in the proposed works-wide scheme. Moreover, the Corby programme even at the audit phase showed its intention of reducing branch control (and thereby branch autonomy) by shifting the level of collective bargaining from departmental level to works level. If the hypotheses explains the behaviour of these branches, what about No2 lodge and No1 branch?

No2 lodge opposed the programme because it meant accepting the application of work measurement, for work measurement is a control mechanism used by management to improve efficiency. Therefore, it was a structural factor to be opposed if seen by the lodge to be promoting management's economic interests at the expense of their own. This lodge was unwilling to give control to management for some hypothetical increase in earnings once the audit findings had been implemented. No1 branch, on the other hand, by exclusion from the Central Discussion Group felt that their status and power had suffered. In a steel works, the status of manual work groups are closely

tied to relative earnings. Traditionally the melters' were the aristocrats of the industry whose skill and experience on open hearth furnaces enabled them to command high wages. However, over the years the melters' wage differential has diminished, and today he, or his modern equivalent the vessel-man, is no longer the highest paid manual worker in a steel works. This relative decline in income increased the melters' sensitivity concerning their status.(48) Therefore, Nol branch saw the Corby-Wide Productivity Programme as limiting their autonomy and power to bargain, and by denying them direct representation on the central decision making body was construed as an attack upon their status and income.(49)

Just as some trade union groups were committed to the traditional structures so also were some managers in opposition to the programme. The traditional autonomous collective bargaining arrangements and chaotic wage structure implied that departmental managers had a high degree of authority and responsibility for the conduct of labour relations within their sections. Consequently, a local manager with good production results and a good labour relations record could expect promotion leading to a higher salary and status. The programme curbed departmental bargaining and with its intention to shift the level of bargaining would reduce the departmental managers authority in this area. Consequently, many middle managers opposed the introduction of the programme preferring the flexibility of the traditional arrangements.

On the other hand, just as some groups were against the CWPP so others favoured it for rather similar reasons related to their perceived economic interests and status. Amongst the craftsmen, Chapter Five recorded how the steel works shop stewards saw the traditional collective bargaining structures as an obstacle to efficient manpower utilisation, and thereby to be against

their members' long term job security. Job security was an important factor influencing attitudes at Corby, and many steel works craftsmen supported the programme which was linked strongly to the idea of saving steel production. Thus the steel works craftsmen's attitude to the programme was the same as during the earlier period of productivity bargaining. In this sense, their favourable attitude (based upon an external structural change in the technological context) acted as an independent variable to change the dependent internal industrial relations structures.

Given what appears to be two different attitudes by the steel and tube works craftsmen to the programme, how was progress made with the maintenance audit? Although attitudes differed there were also two important structural differences between 1970, and the earlier productivity bargaining phase of 1965-69. In the earlier period the tube works were separate and free to bargain with a divided management about their own interests as they perceived them. Under the Corby-Wide Productivity Programme the tube craftsmen's interests were inextricably bound up with those of their steel brothers. First, the management organisation once divided had been brought together under the new managing director. Second, the Central Discussion Group was the first all Corby multi-union body. These changes in organisation effectively shifted any difference of approach to the centre of the union and management organisations. As shown above management and unions overcame tubes opposition to the audit by using the Central and Area Discussion Groups. Thus structural change in the direction of greater unity facilitated the progress of the audit. However, this difference between steel and tube works shop stewards became so strong when it came to the acid test of negotiating an agreement that a serious power struggle broke out. This power struggle will be dealt with subsequently. Meantime, it should be noted that the

widespread belief that the split between steel and tube works stewards was due to differences in the leaderships attitudes (some would say to political differences) is much too simplistic an explanation.

The empirical evidence has established that a large number of branches and lodges cooperated with the audit and welcomed the programme, although it reduced their autonomy. Can the hypotheses account for the willingness of these branches to give up their commitment to the traditional structures?

Firstly, however, a theory held by some branch officials and based upon power disparities must be dealt with as a competing explanation. The strike of March 1969, involving No6 branch, led to the issue of dismissal notices (later withdrawn), to the disbandment of the branch, and to an order preventing the officials concerned from holding office in another branch for a certain period. These officials argued that this defeat of No6 branch by the union's Executive and management, made other officials accept the need for a more cautious approach in their dealings with management. Thus power at the time had shifted marginally in favour of management when the programme was introduced. This explanation although logically sound is not comprehensive enough as it ignores other structural factors and much of the evidence. For several branches representing some 13% of the labour force did not consent and remained in opposition to the programme for many months. In fact, No1 and No13 branches did not enter the programme until the spring of 1972.

To return to the main theme of the argument, the basic hypothesis predicts that the branches will forgo their attachment to the existing social structures if convinced that their economic position and status will

improve under the new arrangements.(50) Given the autonomous nature of the production union organisation, some branches and lodges felt they could do better economically inside the programme than outside of it. It is a noted criticism (51) of productivity bargaining that it favours employees working less efficiently, maybe in older plants, as against those working more efficiently in newer plants. Thus branches with little to sell by way of manpower reductions stood to gain from the programme which was based upon more than manpower savings.

Secondly, some branches favoured the programme as an opportunity to improve their relative status and income through the graded wage structure. As previously noted, the wage structure was chaotic and many felt that others doing less skilled and responsible jobs were paid more. In particular this applied to people in the iron works.(52) Thus the CWPP would give these branches and lodges access to information which under the traditional system was very imperfect, and thereby an argument to improve their position. The following quote from a NUBF delegate to the Production-Sub Committee meeting of 17th June, 1971 provides evidence on this point. "The NUBF were looking to the productivity deal to make their average earnings something approaching decent in the coke ovens".

A further reason was Corby's survival as a steel producing community. This concern and its implications for the town and jobs was not the sole prerogative of the craftsmen. This view was strongly held by some branch officials, several of whom were also town councillors. These officials believed that the programme was good for the works and community, and again shows the importance of orientations established outside the workplace for behaviour within it.(53) The big difference between the production and the

craft unions was that the latter had a more centralised trade union organisation through which to argue and arrive at a decision, whereas the former had no committee structure with authority to make decisions which were binding upon the individual branches.

However, the toughest test for the hypotheses lies in explaining how those branches, lodges and craft unions most hostile to the programme were made to negotiate their entry.

An examination of the empirical material shows clearly the force of the structural variables as an independent influence upon the opposition parties decision to enter the programme. In the case of the production branches, once the productivity agreement and graded wage structure were implemented the options open to these branches had virtually closed. With the majority of the production branches, full-time officials, and management committed to the programme, the deviants could not negotiate outside of its framework. Of course, Nol branch tried to negotiate its own separate productivity deal, but failed due to the constraining influence of the programme upon the other parties. In other words, for management to have negotiated with the deviant branches outside the programme would have been to destroy it. On the other hand, the deviant branches could have exercised the choice to do nothing, but when their economic interests are taken into account this position becomes untenable. The deviant branch officials could not afford to deny, for too long, the benefits enjoyed by other workers participating in the programme. Caught between the structure of the Corby-Wide Productivity Programme and their memberships desire for enhanced earnings the branch officials were forced to adjust their perceptions and to take a more realistic position. They had only two choices open to them. One was to negotiate

entry on the best terms possible, or alternatively to engage in a long destructive strike aimed at pulling down the whole programme.

Moreover, within the limitations of the programme, management and the Trade Union Policy Group worked hard to secure the entry of the deviant branches. On the structural dimension, the decision to allow a measure of devolved collective bargaining over manpower savings was one such device. This innovation allowed the branch to retain up to 30% of manpower savings for local negotiations within the framework of the graded wage structure. At the economic level, management and the Trade Union Policy Group tried several tactics to encourage entry. These ranged from the initial refusal to implement the graded wage structure until all the branches were participating, to the concessions made over the price of entry.

The other main structural change influencing the entry of the deviant branches was the establishment of the Production-Sub Committee. This was the first central production body with authority to conduct negotiations. All previous institutions such as the Corby Works Joint Branches Committee, the Association of Trade Unions, and the Production Discussion Group during the audit phase were consultative bodies. In addition, the programme had established the Trade Union Policy Group as the central production union institution. Both these bodies took a "Corby-Wide" view of management/union relationships. Thus, when the argument developed between participating and deviant branches over the price of entry, it was the Trade Union Policy Group which proposed a solution, the principle of which secured a compromise. Therefore, under the programme, the Production-Sub Committee and Trade Union Policy Group became more powerful bodies necessitating further structural reform. This took the form of increasing Confederation representation.

Furthermore, by structuring the representation on an area basis the hostile branches were virtually guaranteed direct representation on the Production-Sub Committee.

Clearly, then, these structural constraints were important determinants of the deviant branches leaderships' decision to enter the programme, but so also was the experience of the struggle itself which caused a readjustment in the officials' perception of what was possible. In other words, through a process of interaction between the officials initial perceptions of reality and the structures of the programme behaviour was changed.

The craft negotiations also indicated the importance of the hypotheses in explaining the entry of these unions to the programme. However, whereas with the production unions, management was able to obtain the support of most branches before gaining acceptance of the hostile branches, with the craft unions the situation was quite different. The craft unions had a more centralised union organisation, more centralised collective bargaining arrangements and wage structure which they used during the negotiating phase to oppose the programme. The circumstances surrounding their opposition were explained earlier. These in essence, concerned factors (both internal and external) such as the implications of the programme for craft status, and the opportunity the audit revealed for giving them two "bites at the cherry". In addition, the external NCCC wage claim encouraged earnings expectations above what was achievable under the programme. Also the tube craftsmen in particular resisted the job loss proposals and this attitude became stronger with the workers rising concern over redundancy in the industry. Therefore, management's strategy was to continue the programme with the production unions, and secondly, to attempt to divide the craft unions in order to break up the opposition. The first success was achieved

with the entry of the mini-craft unions. The AUBTW and the bricklayers labourers were not restricted by the NCCC claim. Hence they were more easily enticed into the programme on the basis of a quid pro quo, which restored a previous wage differential between themselves and the AUEW and EETPU. By breaking away from the engineering unions, the mini-crafts were only pursuing their economic interests, as indeed, was the total craft group viz-a-viz the production unions.

This was the breakthrough which put the craft unions on the trend towards acceptance of the programme. Both unions tried hard to avoid these structural implications and, like Nol branch before them attempted to negotiate an agreement outside of it. However, in the face of union sanctions, management stood firmly by its commitment to the programme's principles. Finally, the EETPU entered at what seemed the respectable bonus of £4.80 per week. This value was simply window dressing however, to save the union's face. Nevertheless, the effect of the EETPU's entry upon the AUEW was to isolate it and eventually undermine the union's resistance. In particular, the AUEW's national official brought pressure to bear upon the District Committee.

Therefore, the AUEW negotiators were in precisely the same position as Nol branch had been earlier in the year. All manual workers were in receipt of the productivity bonus, and the only way open to the negotiators to satisfy their members pressure for a wage increase was to accept the programme. This the union did, subject to obtaining the best return possible for their members. As shown previously the union pushed up the entry price (unjustifiably according to the production unions), and obtained guarantees on "no job loss" beyond those achieved by other unions. Nevertheless, these were essentially marginal adjustments, which in no way disguise the fact

that a union strongly opposed to the programme was made to accept it.

In answer to question one posed above it can be concluded that the basic hypothesis appears to furnish a useful explanation of the negotiating phase of the programme. However, the behaviour of the craft and production unions was so different during the audit and negotiating phases that a little further explanation of the second hypothesis's predictive value is called for. The argument was that the more fragmented and autonomous the structural variables, the more difficult it was for management or trade union leaders to direct change in the traditional structures. Consequently, has management's success during the negotiating phase with the more autonomous production unions falsified the hypothesis, or was it due to the solid opposition of the less autonomous craft unions?

Certainly the craft unions had used their more homogeneous collective bargaining and wage structures, and union organisation to facilitate the programme's progress during the audit phase, and to hinder it during the negotiating phase as predicted by the hypothesis. Also, the craftsmen's clear wage objective of 33 $\frac{1}{3}$ % productivity bonus, and their subsequent fixation with the national wage claim for £8.20, and their no job loss policy, provided the circumstances for their tough opposition. Compared to this the production branches had no clear economic aims, simply adopting a flexible and pragmatic approach to the audit. However, it was the change in the structural factors combined with the parties' perceptions of their interests which gives support to the hypothesis.

The most significant change for the production workers was the establishment of the Production-Sub Committee and Trade Union Policy Group. With the

formation of these centralised institutions the autonomous and fragmented branches gradually became part of a more centralised union structure. In addition, the union hierarchy was further developed by the inclusion of both the Confederation and NUBF full-time officials. Thus, changes in union organisation, plus the graded wage structure, and more centralised collective bargaining arrangements, as they came in, provided for the production unions a more unified and centralised structure than existed for the craft unions. Such change enhanced the influence of the union leaders who supported the programme over those who did not. In other words, this change in social structure acted as an independent variable helping to bring about acceptance of the programme by its opponents.

On the other hand, the craftsmen, using their centralised structure to oppose the CWPP, had to undergo a structural change for progress to be made. This was achieved by shattering the unified craft structure and by making separate agreements with the mini-crafts, EETPU and AUEW. Hence, management in pursuit of efficiency engineered a change in this structural constraint. Moreover, the reorganisation which took place was not a massive change in the direction of increased autonomy and fragmentation of the structural variables. Although joint multi-craft union working was lost in the steel works, the uniform wage structure remained intact, and new formal collective bargaining arrangements were forged. The craft wage structure between steel and tube works had been brought into line after the 1970 strike, but no formal collective bargaining arrangements had been established. These collective bargaining structures were altered for both the EETPU and AUEW under the programme's negotiations, and was most dramatically revealed in the case of the AUEW. Conflict continued to exist between steel and tube works shop stewards over the priority to be given to craft status in the

negotiations. Moreover, the District Committee overcame the tube works' opposition by putting the draft agreement to the whole membership for ratification. This act was a departure from the traditional method and formally established a new bargaining unit. Hence, under the programme the AUEW District Committee became more directly involved in negotiations than had been the case under the more fragmented system. Consequently, the part played by the District Committee verifies the hypothesis that the influence of union leaders to secure change in structural variables is enhanced by the degree of uniformity and centrality within the union's organisation, and by the collective bargaining arrangements.

Nevertheless, these structural constraints are only part of the explanation and a more comprehensive understanding is obtained through a process of interaction between the relevant structures and the peoples' perceptions and attitudes. Clearly there was a process of adjustment taking place in the craft groups perceptions of what was attainable. Their experience of proposing various alternatives to the programme (that is, straight tonnage bonus and the efficiency agreement), and finding these avenues blocked caused the leaders to adjust downwards their aspirations concerning higher wages and status compared with other groups, and led finally to an acceptance of the programme. The fact that a separate tube craftsmens' meeting decided initially to reject the majority decision was due partly to the rank and file's definition of reality being out of line with the craft leaderships'.

The second question posed above concerned the problem of allocating an order of priority to the various factors in terms of their explanatory power.

The most difficult problem concerns the separation of the economic and technological variables and the allocation of priority between them. For instance, it was not possible on the evidence available to decide whether the failure to establish one bargaining unit for production and craft workers was due to economic or technological factors. From the economic perspective the audit had revealed the scope of differential savings in favour of the craftsmen, plus the external NCCC wage claim. This appears to have caused the craftsmen to change policy from one of joint negotiations with the production unions to one of separate negotiations. However, on further examination these savings were only partly economically determined through the need to increase the craftsmen's effort to relieve shortages in the craft labour supply. It was also technologically determined through the relaxation of restrictive job practices, shaped by earlier technology. Moreover, even the national wage claim was influenced by similar economic and technological factors. As shown in the early Chapters ISTE and later BSC both evolved a strategy to reduce the maintenance costs in the product and to partly meet the craft labour market shortage experienced throughout the post war period. However, the NCCC's strategy and power to improve the craftsmen's relative position in the industry's wage league was enhanced not only by the labour shortage, but also by technological changes which increased the skills and numbers of craftsmen relative to production workers. The November 1964, Efficiency, Qualification and Service Agreement, and the MEUMM agreements were in recognition of these developments. Therefore, both these variables appear to be so inextricably interwoven in their effect upon the craftsmen's perceptions and behaviour that no further insight can be obtained by pursuing the question beyond this point.

If this problem cannot be resolved here, what further allocation of priorities can be made? The evidence appears to suggest a certain order of

or sequence of variable interaction and therefore priority between them. Management initiated the Corby-Wide Productivity Programme to achieve the objectives of improved efficiency, control, and stability in industrial relations, and to achieve these objectives it was considered necessary to change management and trade union organisations, centralise collective bargaining arrangements, and to rationalise the wage structure. Thus, management's decision can be regarded as a conscious act and therefore an independent action within the works industrial relations system. However, the decision was made in response to perceived external economic and structural changes such as the deterioration in the product market situation, and the wider technological threat of the coastal works.(54) In other words, management consciously articulated and formulated a framework for action in response to their perceived economic and status interests. Consequently, the first changes took place within management's own structure, with the appointment of the first all Corby director in March, 1969. This was followed by the appointment of a senior industrial relations manager. These changes in management organisation appear necessary for the later formulation of an industrial relations strategy.

Hence, changes in management organisation claim priority over the new collective bargaining arrangements. Nevertheless, the empirical evidence shows also that the flow of influence was not just in the one direction, and that changes in the collective bargaining structure also influence management organisation. For example, the change to the more centralised collective bargaining and wage structures reduced the departmental manager's authority to deal with departmental wage issues.

Another interesting effect of the change in the collective bargaining and wage structures was its influence upon trade union organisation,

particularly in the case of the production unions. HA Clegg has argued (55) at the international level, that the collective bargaining arrangements in various countries have a significant independent influence upon trade union organisation in those countries. This study provides evidence to support such a proposition at the Corby Works level. The strategic innovation of the productivity programme created the Production-Sub Committee, and in turn the Trade Union Policy Group. The latter was the first central production union body with authority to negotiate with management. Furthermore, as the programme matured the powers of the central bodies grew. As a result, they made decisions within the framework of the new collective bargaining arrangements which previously had been made by the autonomous branches within the traditional structures. An insight into the central institution's increased influence can be obtained from the fact that the branch officials competed for membership leading to the reorganisation of the Production-Sub Committee in late 1972. Further evidence was the role played by the Trade Union Policy Group in finding a solution to Nos 1 and 3 branches entry to the programme, and also this institution's role in strike situations under the auspices of the Production Protection Procedure.

However, the direction of the causation was not all one way and the evidence suggests that changes in trade union organisation can influence the shape of the collective bargaining arrangements. In fact, J. Mortimer, chairman of ACAS has suggested just such a criticism of HA Clegg's work.(56) For instance, at Corby in 1964-65 before the Magenta agreements, the direction of influence worked this way round. It will be recalled,(57) that the EETPU convener in the steel works proposed a strategy in response to his assessment of the union's economic interests. This strategy involved enticing the more powerful AUEW into establishing a joint multi-union

committee. From this organisational base the unions proceeded to negotiate the Magenta productivity agreements which changed the craftsmen's collective bargaining structure. Again, under the Corby-Wide Productivity Programme, the craftsmen saw their economic interests and devised a strategy to achieve their objectives, that is, the 33½ wage claim. However, in this instance, the craft unions' economic interests required opposition to joint working with the production unions, and eventually opposition to the programme itself. Therefore, in this case, there were two simultaneous flows of pressure operating in opposite directions, that is, one from management through the CWPP to secure craft union conformity, and one from the craft unions to avoid conformity. This resulted in strain upon the existing institutions and something had to give. Consequently, the Joint Craft Committee broke up, and management failed to achieve the Central Corby Productivity Council within the one comprehensive agreement. Notwithstanding, such was the influence of the programme's design (that is, the common monitoring mechanism) that despite the separate agreements and inter-personal bitterness, the craft and production unions were forced into joint working arrangements. These took the form of joint participation in Plant Efficiency Groups, and in working parties such as that dealing with the 16 shift activity level.

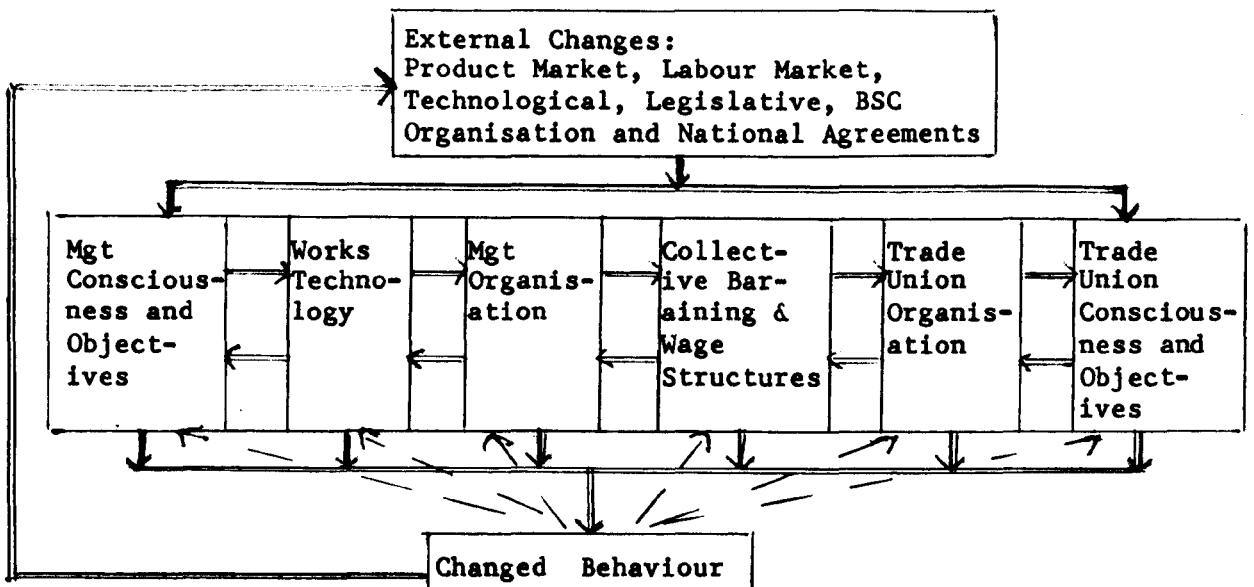
In addition, the works technology factor must be placed within this sequence of causation as a variable influencing behaviour. In Chapter Five the work of L Sayles was discussed (see pages 174-177) and it was concluded that the works technology had an important influence on collective bargaining and the wage structures at Corby. Other writers, for instance Joan Woodward (58) have emphasized the influence of technology as a factor shaping management organisation and control systems and through this industrial relations outcomes. Within the hypothesis developed here, works technology

comes in sequence after management consciousness. This is based upon the assumption that management in defining the situation can see opportunities to make profits, or the need to improve productivity in the light of an external or internal change. Given the objectives formulated by management a suitable technology and production system is chosen. Of course, in the case of the Corby works the technology was established but changes were required in it to facilitate technological integration and to reduce costs. Given this new works technological constraint, management then devised a suitable management organisation to secure its objective of efficiency and also control.

Within the hypothesis trade unions do not choose or design the works technology. They do however define their interests in response to the works technology and consciously formulate objectives to exploit the situation and to protect their members job security by exercising control. In this way the union can mitigate the influence of the technological variable. For example, in the wider development of trade union organisation the craft unions with their early emphasis on unilateral job regulation show such a rational response to the handi-craft technology of the early 19th century. Whereas in the late 19th and early 20th centuries union organisation altered (even for the craft unions) to accommodate the advance of mass production technology. Also, at Corby the steel works craft unions saw that a change in works technology towards greater integration outdated many of their established job practices. As a result, they altered their own organisation and proposed changes in the structure of job regulation.

The diagram below tries to illustrate this sequence, the transmission of influence and the interaction between the variables.

Diagram 6.2



The diagram emphasized the importance of two way interaction between the parties' definition of their economic interests, given their situation, and the relevant structural variables. The articulation of a parties economic interests can either be a response to an external change such as the technological threat of the new coastal works, or to an internal change such as the craft unions decision to seek separate negotiations in the light of the audit findings. The outcome of this interaction process between external and internal works structural variables and the parties definition of their social reality was a change in their behaviour. The diagram also shows the operation of a feed back mechanism by which a change in the parties' behaviour might alter any of the internal factors such as the collective bargaining arrangements, and also modify the external factors. For example, improved internal efficiency will ease the external product market constraint.

However, most significant the diagram shows the probable direction or priority of action within and between the variables. Thus, if either

party perceives a change in their economic or status interests they will develop a strategy to pursue these. This strategy will probably tackle the structural constraint which is most easy for that party to change, then through this variable alter the factors more difficult to change. For management the factor most easy to change was management organisation, followed by the collective bargaining arrangements, then indirectly through collective bargaining structure the trade union organisation, especially where it was well established as at Corby.(59) From the union side, the strategy formulated in 1965 supports this argument; that is, the trade union organisation was the easiest to alter, followed by the collective bargaining arrangements, then, indirectly through the collective bargaining arrangements, management's organisation. Again, unions find it hardest to alter, directly, management organisation, and can most easily change it by this indirect mechanism.

Therefore, the pursuit of this second question leads to a refinement of the original hypotheses or to a third hypothesis that the most effective way to change the relevant structural and behavioural variables is to work through the sequence of priorities identified above.

The third question raised earlier concerned the concepts of power, and authority, and their place in the three hypotheses. Clearly, power broadly defined as influence, pressure, coercion and so on, was central to the changes at Corby. Examples of the use of power were given above when referring to the role of the Trade Union Policy Group, and also when the tube works craftsmen accepted the programme against their will. Moreover, the importance of power as a key explanatory variable has been identified in the literature by M Poole.(60) Poole identifies the power base of workers as related to the exercise of power, to latent power as

revealed in union organisation, and to the workers willingness to challenge management authority. Also, he accepted that management had an important influence on work place behaviour. He illustrated this by showing that management were able to keep discussions on pay off the agenda of the Works Council meetings in a Sheffield steel works. Consequently, both the hypotheses developed here and Poole's theory accept the importance of power and the structural variables of trade union and management organisations as factors explaining behaviour at the work place.

Where Poole's theory and that developed above diverge concerns the priority given to, "the values and organisation of shop stewards as the decisive explanatory variable".(61) Poole claims that this theory provides a more comprehensive explanatory framework of work place behaviour than that developed by competing theories. These include the 'technological determinants' (Sayles and Woodward), the 'orientations of workers' (Goldthorpe), and the 'situational determinants' school (Daniel). However, Poole appears to fall into the trap of seeing one variable, namely, power, exercised through trade union organisation, as dominating all others, and therefore, would seem to undermine his own claim to have developed a more comprehensive theory.

The thrust of the argument developed above shows power as a factor arising out of the interactions between a party's consciousness of reality, its will, and several structural variables. Therefore, power enters into the parties' calculations when formulating their strategy to pursue their economic and status objectives. Thus, the exercise of power to achieve behavioural change appears to be a function of the party initiating the strategy, (either management or trade union) and of the intermediate

variables of management and union organisation, works technology, and collective bargaining and wage structures. The sequence of causation established above showed that the most likely order of priority for management was to tackle those factors where its power was greatest (that is, control) and to work through these to influence those factors where its influence was weakest.

Similarly, if a union commences a strategy for change, then, power will probably be brought to bear initially on trade union organisation which in turn enhances its power to alter collective bargaining arrangements and the pay structure. The change in collective bargaining and pay structures in turn strengthens union influence where it is weakest, that is, to alter management organisation and behaviour. Poole's theory appears to take no systematic account of the important variable of collective bargaining structure as an independent factor explaining behaviour.

Further the concept of power has often been discussed as the ability of one party to coerce another party to accept something against its will, (62) and also of one party having the right to make decisions which are acceptable to the other party. The latter is related normally to some moral imperative which legitimizes (gives authority to) the power of the order giver and diminishes the need for coercive power to obtain compliance. This legitimised power or authority has normally been based upon the assumption of shared values or beliefs. Industrial relations systems (63) and job regulation theories, (64) which have had a significant influence upon academic writing, are grounded in such an assumption. Thus, although both theories incorporate the existence of a plurality of competing interest groups, (65) nevertheless interest group competition has been regarded as conducted within a framework underpinned by some higher level shared value system. (66) Therefore, both

systems and job regulation theories accept that interest groups will exercise restraint in the use of their power, if they see, that not to do so will endanger the system's survival.

How useful then, was this shared value system, and the ideas of legitimised power and authority, in explaining the change from the traditional to the new industrial relations arrangements at Corby? Chapter Five revealed that Corby management had placed much stress in their public announcements on the need for employees and management to pull together. Management believed this would improve the product's competitiveness, and the town's future employment prospects. This appeal to the works and town's survival incorporated a value shared by all the participants. Moreover, the evidence shows that many key union officials accepted the legitimacy of the CWPP due to their concern over the town's future. On the other hand, some hostile branches and craft unions obviously attached greater priority to their own sectional interests, rather than to the general interest as claimed by the programme. Therefore, the shared common values which influence some peoples behaviour, were nevertheless not strong enough to overcome the opposition of some other groups, even in the Corby circumstances. It was the strength of the opposition which reveals the weakness of consensus theories with their underlying assumption of shared values.

It would appear that social action theory developed by D Silverman,(67) in which people within a definition of their own social reality formulate their objectives, might provide a better explanation. The social action perspective is further discussed by S Hill (68) who argues that some social structures, rules, and norms have a moral force attributed to them, but this is not based upon a consensus of values as in systems theory. Hill accepts

that structures, rules and norms generated in interaction can exercise an independent influence upon behaviour; but further that changes in interaction (behaviour) will ultimately alter structure, rules and norms. He puts the point this way: 'if a work group consistently breaks a rule, and has power to prevent management enforcing this rule, then the new action becomes the norm and the old rule ceases to operate as a standard of behaviour'.

At Corby, some people saw the programme as in their interests, whereas others, namely the opposition groups, had they possessed the power viz-a-viz the programme's structure, the official union, and the cooperating branches, would have established their own rules. Indeed the craft unions and Nol branch attempted to negotiate their own separate productivity deals. Thus, for these opposition groups, ideas of legitimacy and consensus surrounding the Corby-Wide Productivity Programme had little meaning.

Moreover, these hostile groups were coerced against their will to accept the programme. However, if coercive power has meaning it cannot be seen in personal terms, that is, in terms of a managing director or full-time official instructing local union officials to sign the agreement. Both craft unions and production branches were much too powerful for such a simple tactic to work. Nevertheless, the local union officials were coerced into accepting the agreement; but the power which coerced them arose out of their changing view of the situation, associated with the need to secure their members' economic interests, and interacting with the structural variables of the programme. Convinced that the balance of power was against them, these lay union officials refrained from disruptive strike action, and acquiesced in the programme's requirements.(69)

This ends Part Five which analysed and explained at a more abstract level the audit and the negotiation of the Corby-Wide Productivity Programme. It was shown that the hypotheses developed in this and the previous Chapter provides reasonable explanations to the questions raised. The next Chapter attempts to analyse the industrial relations change at Ravenscraig Works and to again test the hypotheses developed above.

References

1. Financial Times, 25/6/69
2. RCTUEA, 1968 page 41
3. The craft unions represented were the AUEW, EETPU, UCATT(AUBTW), BRTS, and the bricklayers labourers branch of ISTC. This was the first time that all the craft unions on the Corby site had come together in one body.
4. This was gross savings and it took no account of administrative costs.
5. RCTUEA, para 171
6. MP Follet, Dynamic Administration
7. In fact three abnormal months were excluded largely to take account of the craftsmens strike.
8. Capital expenditure was divided into three categories. Expenditure above £150,000 on new installations would lead to a review of datum. Capital expenditure below £150,000 did not lead to a review of datum but in the case of cost reduction investment a charge was made against the programme.
9. Simply refers to coking coal being pushed from the ovens on the battery.
10. These claims are generally made by a number of human relations writers including E Mayo, D McGregor, F Herzberg, R Likert and C Arygris. See Pugh, Hickson and Hinings, Writers on Organisations
11. RCTUEA, Research Paper, No 11
12. Wage drift means the rate of change between nationally settled wage rates and those earned at the work place between two points in time.
13. T Lupton and A Bowey, Wages and Salaries, pages 24 to 34
14. Examples of poster headings were: "£6.2 million for Corby", and "Oil Slick hits Corby".
15. These sentiments were expressed in a talk given by the group managing director at the BSC, Industrial Relations Conference, Cambridge, 1973.
16. A Fox, Industrial Sociology and Industrial Relations, RCTUEA, Research Paper No 3.
17. See discussions of trade union organisation, Chapter Five, pages 134 & 141
18. Chapter Four, pages 112-118
19. See Chapter Five, table 5.3. No 1 branch had 490 and No 3 branch 335 members respectively.
20. The reasons were discussed in Part Two of this Chapter, page 200
21. Chapter Five, page 160
22. Discussed in Chapter Four, pages 77-84

23. P Bowen, Social Control in Industrial Organisations, page 148
24. Ibid, page 157
25. Ibid, page 158
26. See Chapters Three and Four
27. R Walton and McKersie, op cit, chapter 8
28. Evening Telegraph, 30/8/72
29. D Gowler, 'Socio-cultural influences on the operation of a wage payment system' in D Robinson, editor, Local Labour Markets and Wage Structures
30. Assuming a labour turnover figure of 20% instead of 16.5% the total manpower figure would have been 8,665 providing an output per man of 85.6 tonnes instead of 82.7 tonnes.
31. Robert Gray, The Scanlon Plan, - A Case Study, BJIR, Vol. IX Nov., 1971
32. Described on page 197 above
33. The participants answering the questionnaire were asked to rank each statement in order of importance. The method of analysis would produce, if there was complete agreement that one particular objective was the most important, a maximum score of 8. The second most important a score of 7 and so on. The relationship of the actual overall ranking with the scores of 8,7,6,etc., therefore portrays the degree of unanimity throughout the population.
34. FG Lesieur and ES Puckett, 'The Scanlon Plan as Proved Itself', in H Chruden and H Sherman (ed) Readings in Personnel Management, page 472
35. P White and R Lippitt, Autocracy and Democracy: An Experimental Enquiry
36. R Gray, op cit, page 311
37. Includes people laid off due to strikes.
38. The production unions were negotiating a similar agreement.
39. R McKersie, RCTUEA, Research Paper Noll, para 62
40. NPIB, Report No23 CMND 3167
41. W McCarthy and N Ellis, Management by Agreement, Chapter 6, page 105
42. Contained in HS Chruden and A Sherman, op cit.
43. G Thomason, A Textbook of Personnel Management, (2nd ed), page 190
44. Walton and McKersie, op cit, Chapter 6, Attitudinal Structuring
45. A Etzioni, Modern Organisations, page 47
46. Walton and McKersie, op cit, Chapter Two

47. These were: the electric arc, continuous weld, general services and rolling mills.
48. A similar experience was felt by the melters at Ravenscraig Works.
49. JH Goldthorpe, *Industrial Relations in Great Britain: A Critique of Reformism. Politics and Society, Vol IV (IV)*, 1974

Goldthorpe makes a similar point in his criticism of the Donovan educational strategy as a means of implementing reform in collective bargaining arrangements at factory level. Goldthorpe recognises that the work group's interests in terms of members earnings and the need for status and control may not coincide with those of management (see pages 436 - 438). Therefore, he rightly emphasises the need to take into account the workers orientations and motivations in any proposed reform, nevertheless, he relies for successful change, upon the compliance (that is, moral commitment) to the new collective bargaining arrangements of the mass of workers regulated by it (page 450) This argument however, plays down the importance of structural changes in management, collective bargaining, and in particular within trade union organisation in influencing workers attitudes and the results of internal union decision making. These variables are of crucial importance to explaining industrial relations outcomes as argued in the text.

50. This is precisely what the steel works craftsmen did in the 1965-69 phase.
51. RCTUEA, Research Paper No4, para 145
52. For example, in 1969 the top coke oven operator was paid £24, the blastfurnace keeper £25.78 and the less skilled cutters in Lancashire and Corby £54 per week.
53. JH Goldthorpe et al, op cit. Also, M Rose, Industrial Behaviour, page 237. Rose argues that Goldthorpe's methodological innovation was the idea that orientations established outside the workplace are important for understanding what goes on inside.
54. These perceptions of course are tied to the production processes of the wider western industrial or capitalist societies.
55. HA Clegg, Trade Unionism under Collective Bargaining
56. Institute of Personnel Management Journal, Jan 1977. Contains J Mortimer's review of HA Clegg's book. A similar point is made by TL Johnson in an article, 'Industrial Democracy and the Unions', page 190, SJPE, vol 24, June 1977
57. Chapter Five, page 141
58. J Woodward, Management and Technology, No3 Department of Scientific and Industrial Research, HMSO, 1958
59. Of course, if union organisation is weak or non-existent management can influence union organisation through the recognition procedures.

60. M Poole, 'A Power Analysis of Work Place Labour Relations', Industrial Relations Journal, No3, 1976
61. M Poole, Ibid, page 38
62. M Weber, Economy and Society, page 53
63. JT Dunlop, op cit.
64. A Flanders, What is Wrong with the System, pages 19 and 20
65. A Fox, 'Managerial Ideology and Labour Relations', BJIR, 1966
66. R Hyman, Strikes, Chapter Three
67. D Silverman, The Theory of Organisations
68. S Hill, 'Norms, Groups and Power, The Sociology of Workplace Industrial Relations', BJIR, 1975
69. A Fox, Man Mismanagement. Fox discusses this point in terms of moral obligation and expediency. In these terms the deviant branches at Corby and the craft unions who did not want the programme nevertheless accepted it for reasons of expediency.

Chapter Seven

Industrial Relations at Ravenscraig Works, 1964-70

The chapter examines industrial relations at Ravenscraig, and also, in so far as it is relevant, that of the Scottish steel industry. Part One deals with the background factors which are essential to an understanding of the development and functioning of the works system. These factors include the government decision to locate the new steel strip mill at Motherwell, the works technology and the product and labour markets. Part Two analyses the objectives and structure of both management and trade union organisations. In addition, this section analyses the collective bargaining arrangements and wage structure, plus some of the main problems inherent in them. Part Three attempts to evaluate the state of industrial relations in the period 1964-70. Finally, Part Four returns to the hypotheses, developed in Chapters Five and Six above, with the purpose of testing their explanatory power. Chapter Eight deals with productivity bargaining at Ravenscraig, and assesses its contribution, if any, to solving the problems of change identified in this and previous Chapters.

Part One, The Background to Ravenscraig Works

The public announcement that a new strip steel plant was to be built at Ravenscraig Works, Motherwell was given by the Prime Minister to Parliament in November, 1958. The industry, through the British Iron and Steel Federation, had for some time discussed the need for extra capacity with the Iron and Steel Board. The Board was the government's watch dog on prices and new investment for the industry. However, although the industry was well aware

that any new strip steel investment would create excess capacity - at least for a time, the decision was made to go ahead. The decision to locate the plant in Scotland was also influenced by social factors, namely rising unemployment in the region during the late 1950s. This unemployment, largely structural, was closely associated with the continuing decline of the traditional industries concentrated in the area. These included shipbuilding, coal mining and textiles. In response, regional pressure groups lobbied Parliament trying to get any new jobs which the steel industry had to offer to be located in their region. The influence of these social factors was such that it was decided to split the new investment between Ravenscraig and Newport in South Wales. However, on straight economic grounds, the extra capacity ought to have been built in the one location.

Colvilles Limited however did not initially welcome the government's proposal to build a strip mill at Ravenscraig. In the 1950s the company had constructed a number of production units at the site including a coke oven battery, a sinter plant, blastfurnaces, and also open hearth steel making facilities. The output of these units was used to supply the existing Colvilles mills in the Motherwell area. Moreover, in the longer run the company had planned to build a new plate mill at Ravenscraig. For in the company's view, there was not sufficient demand in Scotland for wide-strip products to make the investment profitable. Nevertheless, the company altered its attitude, when the government, in association with Richard Thomas and Baldwins (still a nationalised company), threatened to invest in a new steel complex at Grangemouth. This Grangemouth investment would have broken Colvilles virtual monopoly of steel production north of the border.(1) As a result, the company submitted proposals to the Iron and Steel Board covering the development of a hot strip mill and extra iron and steel making

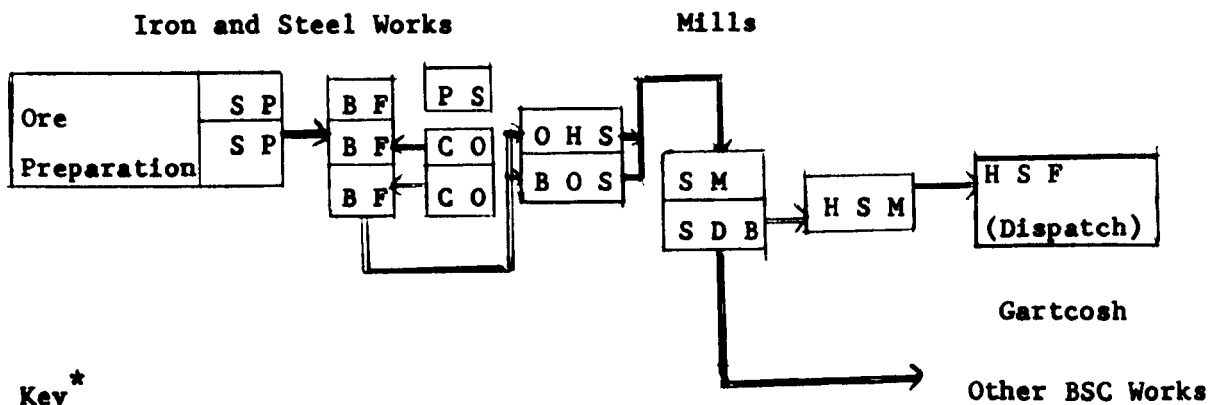
capacity at Ravenscraig, plus a cold reduction mill at Gartcosh some 13 miles to the west. These proposals were accepted by the government.

The additional capacity took the form of one coke oven battery, a much larger sinter plant and blastfurnace, a basic LD melting shop, and a slab and hot strip mill. Of these developments the hot mill became operational in December 1962, and the sinter plant in 1963. The basic oxygen shop appeared one year later in 1964.(2) Both the new strip mill and the melting shop were funded by the government. Thus, Ravenscraig Works reached technological maturity in 1964, a state which was not disturbed until 1974. By 1974 BSC was investing in a new continuous casting plant, and in extra steel making capacity. These developments were part of the Corporation's strategy to concentrate the bulk of production into five major works throughout Britain.

The lay out of the works as it existed between 1964-74 is contained in the next diagram.

Diagram 7.1

Production Layout at Ravenscraig Works, 1964-74



* Sinter Plant, Blastfurnaces, Coke Ovens, Power Station, Open Hearth Shop, Basic Oxygen Shop, Slab Mill, Slab Dressing Bay, Hot Strip Mill and Hot Sheet Finishing.

The new technology at Ravenscraig was highly integrated with molten iron tapped from the blastfurnaces and conveyed by torpedo ladle to the melting shops. The melting shop converted the iron to steel ingots which then progressed to the slab mill. The slab mill fed slabs to the hot strip mill and, also to the Dalzell Works plate mill. Slabs enter the strip mill where they were reduced to wide-strip and rolled automatically into large coils. The coils were dispatched either to Gartcosh for finishing or direct to customers. Yet another part of the strip mills output was cut up into sheets and dispatched directly to customers.

The introduction of both the hot strip mill and the basic oxygen steel making process were of great importance to the Scottish steel industry. Both plants were new to Scotland, and their implications for industrial relations will be traced subsequently. However, most important, the basic oxygen process had the effect of speeding up the production flow by eliminating technological discontinuities between iron and steel works. This factor was discussed in Chapter Two, page 18, in the context of the general steel industry.

R Pryke (3) has shown Ravenscraig's technological capacity to be badly out of balance. The coke ovens at one end of the works and the strip mill at the other both had greater capacity than had the steel plants. In other words, the steel making facilities at approximately 30,000 tonnes per week were a bottleneck compared with the strip mill which could produce in excess of 40,000 tonnes per week. Moreover, in the early 1960s the soaking pit reheating capacity (for heating ingots to the correct temperature for reduction to slabs) was very inadequate. Colvilles however, had little incentive to put this mismatch right due to the difficult product market

situation. Consequently, these large under-utilised plants kept the unit costs of steel production high, and this badly affected Colvilles profitability as a company.

The product market into which Colvilles attempted to sell strip steel was well supplied with established producers such as John Summers of Shotton, and the Steel Company of Wales at Port Talbot; thus, competition was extremely fierce, with both Ravenscraig and Llanwern (Newport) entering the market at the same time. Furthermore, due to the control exercised by the Iron and Steel Board, competition was not price competition, but based upon the quality of the product and the ability to meet delivery dates. Column three of the next table shows the company's lack of success in penetrating the market up to 1968.

Table 7.1

Colvilles Sales of Strip Steel 1964-72 (tons)

Year	Colvilles Total Sales, Tons	Total U.K. Market Tons	Colvilles Share of U.K. Market	Colvilles Export % of Total Sales
1964	256,464	2,325,592	11%	N.K.
1965	289,536	2,388,776	12.1%	N.K.
1966	312,000	1,820,208	17.1%	N.K.
1967	320,060	2,095,652	15.2%	52.5%
1968	414,725	2,380,332	17.4%	56.1%
1969	561,654	2,486,898	22.5%	21.7%
1970	618,315	2,814,549	21.9%	16.6%
1971	548,274	N.K.	N.K.	43.9%
1972	516,306	2,326,902	22.1%	52.5%

source: Ravenscraig Sales Department

Penetration by the company was slow and compared with the more equal market distribution of 22% after nationalisation, must be considered poor. After 1968, orders were administered by the British Steel Corporation partly on the basis of loading the various mills efficiently. However,

prior to 1968, Colvilles inability to penetrate the market successfully had a lot to do with the poor quality of the product made at Ravenscraig. For this management must take the bulk of the blame. For instance, there was a total lack of expertise at senior management level in strip mill technology, and also, there was a slow conversion to the employment of quality control specialists. This defect in the management organisation partly led to a major shake up in the senior management hierarchy in 1965.

The other market problem concerned Colvilles inability to meet delivery dates, even with surplus capacity at the works. This objective was seriously hindered by the poor climate of industrial relations. As a result the Company were forced into the export market which, as Table One shows, took over 50% of Ravenscraig output up to the time of nationalisation. Unfortunately for the Company, export prices were between £15 to £20 per ton less than prices in the domestic market with its tariff protection. Hence, with low output and high costs, unprofitable sales, and a difficult industrial relations climate, Ravenscraig turned out to be thoroughly unprofitable for Colvilles.

The final background factor worth consideration was the local labour market. It was believed by both management and trade union officials at Ravenscraig, that the recruitment of green labour had much to do with the works industrial relations and product market problems. It was argued that during Ravenscraig's phase one development (that is, middle to late 1950s), experienced personnel were recruited from other Colvilles works. However, during Ravenscraig phase two (that is, early to middle 1960s) these works were not in a position to shed labour, and the slab and strip mills were manned by (described colourfully) "butchers, bakers and candle-

stick makers". Also, it was argued that a large number of coal miners were brought in from the declining coal industry. Therefore, the common-sense explanation put forward by those involved, was that the phase two recruits unlike those of phase one, brought with them values which were foreign to the industry's peaceful customs and traditions. These men had high instrumental values (4), and were prepared to engage in strike action in breach of the industry's procedure.

The next table furnishes information on the previous work experience of the new entrants.

Table 7.2

**Ravenscraig Manning:
Personnel with Previous Experience of the Steel Industry**

Phase Two Manpower, 1965				Manpower Establishment, 1975		
	Total Manning	Previous Steel Industry	% of ex-Steel Workers	Total Manning	Previous Steel Industry	% of ex-Steel Workers
Slab Mill	28	26	92.8%	132	40	30.5%
Slab Dressing	30	28	93.3%	92	41	44.5%
Hot Strip Mill	42	20	47.6%	83	21	25.0%

source: BSC, Ravenscraig Works

The table show that the original phase two manning was dominated by workers with previous experience of the iron and steel industry. Also, although not shown in the table, the number of ex-coal miners was surprisingly low, that is, 7.6% of the slab mill manning, 6.5% of the slab dressing bay, and 9.5% of the strip mill. Moreover, in the strip mill where the proportion of workers coming direct from other steel works was lowest, four of the six top occupations were manned by men with previous steel experience. Consequently, the assumption that these inexperienced workers established anti-work group attitudes to supervision, group norms,

etc., was most unlikely. Furthermore, an examination of the strike statistics (to be dealt with later) show that the hot strip mill with the lowest percentage of experienced steel industry men, was the least strike prone of the three groups.

Therefore, it would appear that green labour was not as significant a factor in explaining behaviour at Ravenscraig as the participants interviewed believed. The question of what factor or factors were more dominant will be considered in Parts Two and Three.

Finally, Ravenscraig was very tightly manned compared with equivalent works elsewhere in the U.K. Apparently, management applied the standard manning which existed in other Colvilles works to the larger units of plant at Ravenscraig.

This concludes the examination of the background factors; consideration must now be given to the details of the industrial relations system at Ravenscraig.

Part Two, Industrial Relations at Ravenscraig Works

This part commences with an analysis of management's organisation and attitudes, followed by the trade union organisation, and then the parties' collective relationships.

Management's Organisation

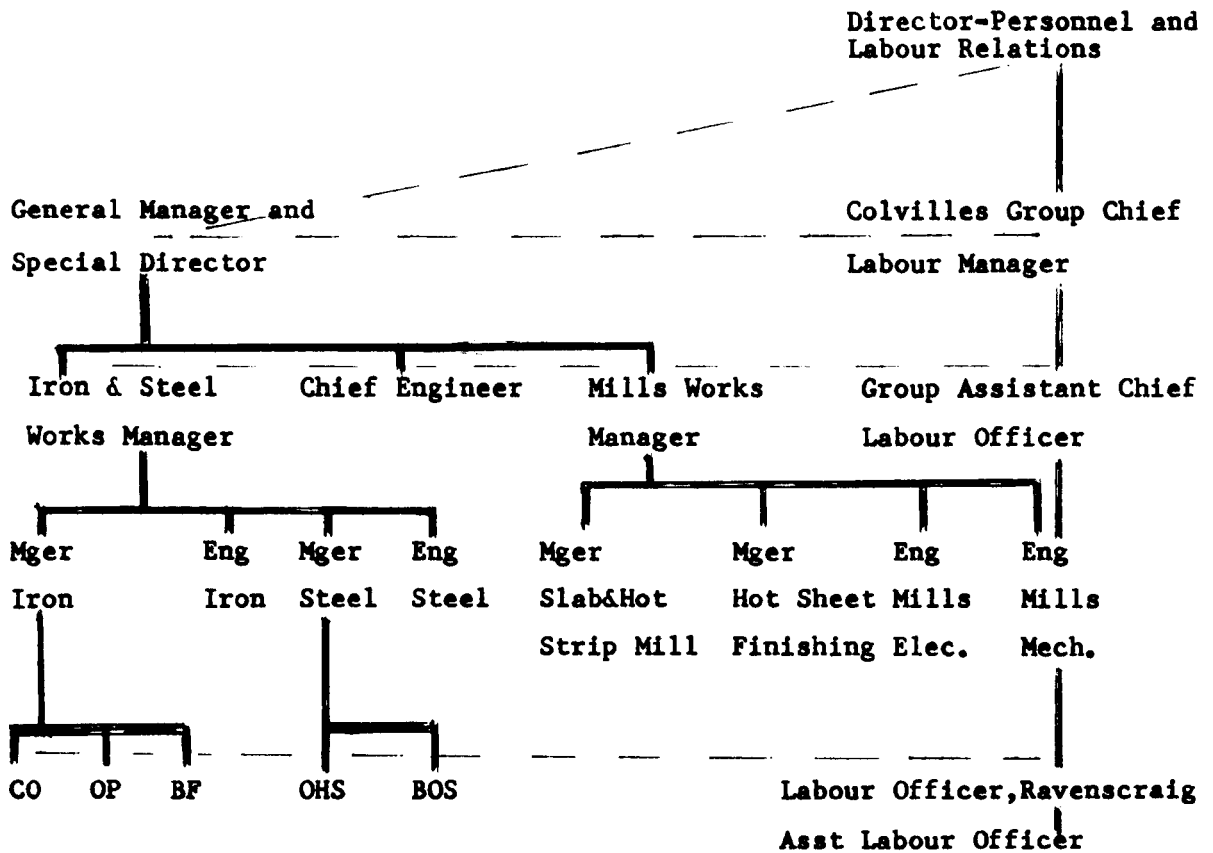
At Ravenscraig Works, in the middle 1960s, only the manual trade unions had recognition, and therefore, industrial relations in this sense concerned a limited number of production and engineering managers.

Functional executives other than industrial relations specialists were in no way involved. The organisation chart on page 302 shows the formal management structure as it existed in early 1966. At this time, industrial relations at Ravenscraig were handled by line production and engineering management who were held directly responsible for all labour issues arising within their jurisdiction. This gave to the various works and departmental managers (given the nature of the collective bargaining arrangements) a large degree of autonomy over many negotiating issues. So strong was this autonomy and the attitudes regarding it, that little coordination existed between various departments across the works with regard to wages, discipline and other labour issues.

Moreover, the labour strategy pursued by Colville's senior management at Ravenscraig was a defensive one, with little determination to initiate change which would promote a "works-wide" strategy. Obviously, in those years this was not thought desirable as it would have limited the degree of autonomy enjoyed by the various managers.

At the same time this autonomy was subject to the constraints of Scottish and national collective agreements, and to some extent to the authority and advice offered by the Colville's personnel services function. The group personnel services function was located at Dalzell Works, some two miles west of Ravenscraig. Study of the formal organisation chart shows Colvilles to have a Director of Personnel, appointed in 1965, who had full director status and membership of the main Colvilles board. Beneath and responsible to him the personnel, training and industrial relations functions divided into sections with a group labour manager directly responsible to the Director. He, in turn was aided by two assistant chief labour officers,

Diagram 7.2

Organisation Chart: Ravenscraig, 1966

Key to abbreviations:

CO: coke ovens

BF: blastfurnaces

OP: ore preparation

OHS: open hearth shop

BOS: basic oxygen shop

one of whom combined the task of Secretary to Nol Division of the ISTEA. From there the line of authority within the department went straight to the Ravenscraig works labour officer, who had one assistant labour officer to help him.

In terms of procedure this meant that the works labour officer dealt with trade union claims in their early stages. These might subsequently involve the Group Labour Department at higher stages within the works. Alternatively, if an issue, was of obvious and critical importance, the chief labour manager's involvement would be more immediate. In summary then, the works labour officer was in a line relationship within the Colvilles personnel function, with the total function offering an advisory service to line management.

Strong dissatisfaction with this set-up first surfaced around 1965, voiced by the general manager, Ravenscraig and Gartcosh. He claimed that the service was inadequate, and that a gap existed between Colvilles group personnel function geared to the total group of companies and the special needs of Ravenscraig whose problems were significantly different from the other works. These differences were largely due to the technology and the product market problems of the strip works. Nevertheless, other reasons for the dissatisfaction did exist. One such reason concerned the total numbers in the personnel function itself. Colvilles Limited employed some 20,000 people of whom about 12,000 were manual workers. These workers were employed in eight major works, in several smaller engineering works, and in ancillary activities such as brickmaking. This total empire was serviced by two men of senior management status, assisted by four labour officers at the general office, two at Ravenscraig, and one labour cum personnel officer at Gartcosh

Works. None of the other works had full-time labour officers. Another reason for the dissatisfaction was the strong commitment of Colvilles to ISTEA. As a result the personnel director and chief labour manager spent much of their time and energy in the service of the Association's standing and policy making committees. This applied not only at the London end, but also in the ISTEA's Scottish Division which Colville's, with a virtual monopoly of steel production, dominated. The only other affiliates outside of the Colvilles group of companies was Clydesdale Works of Stewart and Lloyds, Parkhead Works of Beardmore Company Limited, and the Northern Works of Baird and Scottish Steel Company which Colvilles partly owned. Given this employer association orientation and the above ratio of personnel staff to employees, it was little wonder that a gap existed and the service offered by the Group Labour Office to Ravenscraig Works was not all that was desired - at least in the opinion of the new general manager Ravenscraig and Gartcosh.

At Ravenscraig itself, the works labour function was heavily overworked as it attempted to service departmental managers with some 3,200 manual workers. This ratio of labour specialists to line managers and employees was such that it reinforced the autonomy of line management in the sense that the labour function had little formal authority or influence in the works. In fact, there was no policy statement, even oral at this time, instructing line management to discuss labour problems with the works labour department prior to taking a decision. Similarly, no instruction was given that managers should not have formal meetings with trade union representatives without the presence of the labour department. What influence the department had was dependent upon the initiative of individual managers who brought their problems to the department for advice.

The role of the works labour department in those years was to give advice when asked on current wage claims, to interpret the various national, area and works collective agreements when disputes arose over their application; to attend joint management/union meetings when possible to assist the departmental and engineering management - the latter always taking the chair; to prepare statistical information to counter union wage claims; to write up collective agreements which even then were formally and precisely written, and to keep a record of such negotiating meetings.

Furthermore, at the informal level the influence of the works labour department continued to have severe constraints placed upon it. For example, all management from departmental head upwards had separate dining room facilities. On the assumption that this represents a point of contact and an opportunity for managers to discuss with each other their problems in a private and unofficial manner, the works labour officer, who was denied these facilities was not privy to discussions of plant problems. Again this gave weight within the status and communications structures to the departmental managers in their relationships with the works labour department. Thus, given its position in the management hierarchy the works labour department's ability to influence, coordinate and constrain management autonomy on labour issues, was very limited. In effect, this power was possessed by the more senior group labour managers, however, as mentioned previously, they were not close enough to Ravenscraig. In addition, there was no works level strategy of a positive kind to take them in that direction.

A final reason for the dissatisfaction expressed by the new general manager, concerning the service offered to Ravenscraig by the group labour department, was due to an upheaval which took place within Colvilles senior management itself. This involved the dismissal of the previous general

manager at Ravenscraig, and as part of the change a new post, Director of Personnel and Labour Services with full board status was established. The new personnel director had been the company's managing director (Works). (5) However, the creation of this personnel post did not mean that Colvilles attributed greater importance to the personnel function, it was more the outcome of the reshuffle within the management hierarchy. The need for this management change had come about because of the difficult production and market problems faced by Colvilles strip works.

The new general manager came from the Steel Company of Wales (strip producers) primarily to sort out the Ravenscraig problem. In fact, he was the first senior manager employed by Colvilles with direct experience of hot strip mill practice. Both the previous general manager and the managing director (Works) were experts in blastfurnace practice. This change reflected the importance that the Colville Board now attached to the Ravenscraig problem, and in particular to the quality of its strip steel. Therefore, after an initial period of settling in, the new general manager turned his attention to the industrial relations area, and from this point on a new strategy developed for both Ravenscraig and Gartcosh Works.

The new general manager's plan contained two elements. One aspect was to raise the status of the personnel function at Ravenscraig, and thereby to limit the largely autonomous and fragmented activity of the works managers as described above. The second aspect involved increasing the autonomy of the strip works viz-a-viz the Colvilles Group Labour Office.

As a first step, in July 1966, a new personnel manager-Ravenscraig and Gartcosh Works was appointed. This post was of much higher status than that

of the works labour officer in the management hierarchy. The manager concerned had direct access to the general manager, and to the other works level managers. Moreover, the general manager made it clear, verbally, to the Ravenscraig senior managers that the new personnel manager had authority to determine works level personnel policy and to coordinate labour activities. Consequently, all wage claims, manning issues, disciplinary cases, etc., were to be routed through the personnel department. Eventually, by late 1967, the personnel manager had replaced the various works and departmental managers as chairman of the management side in negotiations with the trade unions. Therefore, increasingly the personnel department came to make executive decisions on labour matters. Furthermore, if a dispute arose between line and functional management, the general manager acted as arbitrator. These developments were pushed further in 1968, with the promotion of the works labour officer to the new status of Industrial Relations Manager. These developments at Ravenscraig were similar to those which had taken place at Port Talbot Works where the new general manager had previously been employed.

This change resulted in some internal management conflict, for not all works level managers agreed with the curtailment of their decision making authority in the personnel area. In particular, the new personnel manager experienced difficulties with those managers who remained committed to the traditional system of authority. The traditional and formal system continued to emphasize the Ravenscraig personnel department's direct line of responsibility to the Group Labour Office. For instance, Ravenscraig Works managers, when it suited them, would ignore the general manager's policy by taking their problems directly to the Group Labour Office. This gave the Group Labour Office an influence which it could use to resist any separate

policies formulated at Ravenscraig. Moreover, the degree of conflict was heightened by the company's formal organisation which had not been altered as it affected Ravenscraig. Thus, although the Ravenscraig policy tightened up by coordinating management's internal activities at works level, the new general manager could not establish a formal and separate policy for Ravenscraig and Gartcosh. In fact, this remained the case up to 1970, when the British Steel Corporation set up its product divisions. Nevertheless, some innovations were made at Ravenscraig during this time which were not made at other Colvilles works. These included the establishment of a Works Consultative Council for Ravenscraig and Gartcosh, and a suggestion scheme.

Therefore, in conclusion, it can be said that the general manager had only limited success in promoting a separate formal policy for the strip works. These changes were most effective at the informal level within Ravenscraig management organisation, and in those areas outside the established collective bargaining and wage structures. The company's industrial relations policy, enshrined in the attitudes of the Group Labour Office, showed a strong commitment to the employers' association and the traditional collective bargaining arrangements. Thus, the new general manager was unable to obtain the autonomy for Ravenscraig which he desired viz-a-viz the rest of the Colvilles company.

Trade Union Organisation

At Ravenscraig there were nine independent trade unions with recognition representing manual employees in negotiations with management. The absolute and relative size and to some extent importance of the various unions can be seen in the next table.

Table 7.3

Ravenscraig Works, Trade Union Membership, 1973

(6)

Iron and Steel Trades Confederation	2,633
AUEW (Engineering Section)	374
EETPU (Electrical)	202
ASBSB&SW (Boilermakers)	131
UCATT (Bricklayers)	95
EETPU (Plumbers)	67
ASBSB&SW (Blacksmiths)	18
UCATT (Woodworkers)	10
Transport and General Workers Union	141

source: ISTC Divisional Office and Ravenscraig Personnel Department

The TGWU represented workers in canteen and cleaning services, and are of no further interest in this study. The AUBTW(UCATT) represented all time served bricklayers, who at Ravenscraig as at national level, had their own collective bargaining arrangements. They, also are of no further interest. The focus of interest revolves around the remaining unions, who with certain qualifications, fall into two major occupational groups, that is, ISTC representing production and service workers and the six maintenance unions.

In more detail the Confederation organised workers in traffic, power, general and bricklayers labourers as well as production workers. In addition, they organised the craftsmens' mates who in most steel works are in membership of the craft unions - this included Corby. The NUBF does not operate in Scotland and workers who belong to it in England and Wales are in membership of the Confederation.

The union's membership of 2,633 was partly sustained by the existence of a post-entry closed shop at the works. No formal agreement existed, but an informal understanding did. The procedure was for branch officials to approach a new recruit, who would be expected to join the union after some

unspecified time period. Refusal to do so led to problems when the workman concerned was due for promotion within the works. Furthermore, at Ravenscraig a document existed which outlined a procedure for dealing with members of the union who had fallen into arrears with their dues. The document was signed by the divisional officer of the union, but not by the management, who nevertheless implemented it. In such cases the branch official would approach management giving the circumstances of the person concerned and asking for his dismissal. After ensuring that all alternatives had been explored concerning the repayment of the man's arrears, failure to do so resulted in dismissal. In these two ways ISTC attempted to sustain membership at the works.

However, a disparity occurs if the 1973 membership figure of 2,633 is compared with the 2,905 employees that the union had the right to organise. Although this shows a high density figure of 91%. nevertheless, the number of non-unionists was a matter of concern to the Divisional Office, (7) and it was a factor making for the union's agreement to certain changes which took place in trade union organisation around, 1971.

Within the works, ISTC membership divided down into eleven branches. The following table shows the size of these branches and the work groups and occupations covered.

Table 7.4

ISTC Branch Membership at Ravenscraig Works, 1973

Ravenscraig No1 Branch (melters, vesselmen and all pitside grades)	156
Ravenscraig No2 Branch (power station personnel and waste heat boilermen)	98
Ravenscraig No3 Branch (coke ovens and by-products)	298
Ravenscraig No4 Branch (locomotive crews and mobile cranes)	131
Ravenscraig No5 Branch (bricklayers labourers)	122
Ravenscraig No6 Branch (ore handling, sinter plants and blastfurnaces)	325
Ravenscraig No7 Branch (craftsmens mates, greasers and platelayers in the Iron and Steel Works)	306
Ravenscraig No8 Branch (slab mill, slab yard, dressing bay and hot strip)	685
Ravenscraig No9 Branch (hot sheet finishing and dispatch)	151
Ravenscraig No10 Branch (craftsmens labourers in mills)	182
Ravenscraig No11 Branch (charger and crane drivers in the melting shops)	179

source: BSC, Ravenscraig Works

Each of these branches of ISTC was located in the works, and was governed by a committee consisting of the officers of the branch, and three others.(8) The major officers were the President, Branch Secretary and Branch Representative. Branch stewards exist for collecting membership dues, but are not shop stewards in the engineering industry sense. These branch officials have formal authority within the union's governmental framework to interview employers in the works on matters which affect the terms and

conditions of employment of any member or members of the branch. The important officials regarding day to day dealings with management are the branch representative and secretary. Moreover, Rule 19 (9) dealing with shop disputes, spells out the autonomy of the branch and the right of its officials to meet representatives of the employer with a view to obtaining a settlement. However, the branches did not have authority to call strikes which lay with the union's Executive Council.(10)

The branches of the Confederation, then, have authority to deal with and negotiate various work place issues with management, and as will be shown subsequently these issues were considerable. Moreover, it is in this sense that ISTC is a democratic union meeting certain important needs of the membership. Furthermore, the importance of workplace negotiations to the membership, would appear to have heightened the feeling of branch autonomy by encouraging a separate identity on the part of the branches over collective bargaining issues. This it will be shown later, was clearly reflected in their strike behaviour.

In the years 1964-70 Ravenscraig appeared to have had one major union covering all production and service workers. However, in reality, and over many issues, there were eleven small branches (average size 239 members each) all pursuing their own goals, most of which did not coincide with those of the other branches.(11)

Another Confederation body existed at Ravenscraig which was known as the Works Joint Branches Committee. This body existed from the earliest days and consisted of representatives from iron, steel and service branches. Subsequently, these branches were augmented as new developments took place

in the form of the mills. The Committee consisted of delegates from the branches who in turn elected a chairman and secretary. The latter were in no way full-time lay union officials. This institution was authorised in the rules of the union, (12) which are worth quoting in full:

'For the purpose of coordination and consultation on matters of common and general interest to members, the Executive Council shall authorise where it considers necessary, the establishment of Joint Committees at Works where there are a number of branches of the organisation or in an area within the division. It shall draw up standing orders under which the Committee shall function so as to ensure that they do not in any way encroach upon the autonomy of the branches nor interfere with the functioning of negotiating machinery existing in the various sections of the industry.'

The Ravenscraig Committee appeared to have worked very much within these formal rules in its relations with management. With regard to matters of common and general interest, it did on rare occasions meet senior management to discuss such issues as physical amenities, meals, and transport to and from work. However, it was not a negotiating committee and in no way interfered with branch autonomy. In fact, it was denied that the joint committee even passed information between branches concerning wage settlements, the secretary of the committee (13) noting that : "ISTC branches consider wage agreements personal to themselves." Therefore, the Works Joint Branches Committee conformed very much to the rule book, and at this time was an unimportant body within the Ravenscraig industrial relations system.

The committee was important in another respect, however, which had to do with the internal political process within the union. Ravenscraig branches met to influence decisions to be taken at Divisional Branch

Officers Conference, and at the Divisional Heavy Steel Conference. Within the union the former was primarily concerned with passing resolutions on social and political issues. The latter body debated and sent resolutions to the Executive Council on wages and conditions of employment. Of course, all the Divisions of ISTC send in such resolutions, but it was the Executive Council who decided between them. This procedure, in the absence of a national delegate conference, puts greater power into the hands of national leaders on such issues. Moreover, it left the union open to charges of being right wing and undemocratic. However, this national situation must be balanced against the high participation of rank and file members which the union constitution allows branches at works level.(14) In addition, the Scottish Divisional Heavy Steel Committee elected ten delegates to the Standing Committee which in turn appointed five delegates to the Heavy Steel Central Negotiating Committee who represent the Scottish Division in national negotiations with the employers.

The use made of the Ravenscraig Joint Branches Committee viz-a-viz management, also reflected the defensive strategy pursued by the Colville company, and its high commitment to departmental autonomy on labour matters. However, it will be recalled that from the middle 1960s on, a struggle was taking place within the management organisation itself over industrial relations policy. Also, as the Ravenscraig personnel department's influence increased, much of the departmental managers autonomy was constrained. Nevertheless, the traditional system continued to receive support from the Group Labour Office, and therefore industrial relations policy did not change at the formal level. In addition, the traditional system of autonomous and fragmented bargaining received support throughout the period from the equally fragmented trade union organisation. Hence, even if the

new general manager had wished to change the traditional collective bargaining arrangements, and had not met with resistance from within management, there might well have been resistance from the Confederation.

The ISTC Divisional Office was staffed by a divisional officer assisted by two divisional organisers. At Ravenscraig, the Confederation's membership seemed to be well served by their full-time officials. There was frequent face to face contact through visits to the works to handle members grievances. This was probably due to various factors such as the concentration in the siting of the major steel works, the high incidence of strike activity, the branch structure, and the nature of the collective bargaining arrangements and payments system. Moreover, the ratio of full-time officials to Confederation membership compares well with the craft unions.(15)

The strategic aims of the Divisional Office formulated in the early 1960s are of greatest significance to the development of industrial relations at Ravenscraig. When the Ravenscraig phase one plan was developed, (that is, coke ovens, sinter plant, blastfurnace and open hearth shop) the Scottish standard of manning (giving Ravenscraig tight manning as mentioned previously) and earnings had been applied. This was so although the units of plant at Ravenscraig were larger than those existing elsewhere in Scotland. However, with the Ravenscraig phase two development, which included items of plant such as the hot strip mill, slab mill and basic oxygen shop, the situation was quite different. These units of plant were new, and no direct Scottish comparisons were possible. Consequently, both management and unions switched their attention south of the border to search for comparisons.

In particular, the Divisional Office of the union made comparisons with the high paying strip producers in north and south Wales. The union's attitude was that Ravenscraig sold strip steel at the same fixed price in the domestic markets as other strip producers, and that the operatives should be paid the same wages. Evidence for this assertive strategy can be seen in a quote from a letter sent by Colville's chief labour manager to the Director of ISTEA, (16) "In particular he (the Divisional Officer) has now made a claim for a revision of the provisional rates at Ravenscraig hot strip mill on the grounds that they are inadequate and do not match the rates paid at Spencer Works. From our negotiations so far in connection with the hot strip mill, it has become evident that he is relying wholly on manning, rates and earnings at similar plants in the south, that is, Steel Company of Wales, Summers Shotton Works, and Richard Thomas and Baldwins-Spencer Works." Further evidence of the union's developing strategy can be obtained from its submission made to the Industrial Court over a revision in the labourers tonnage bonus at Ravenscraig.(17) The relevant passages are contained in sections 25 and 27. Section 25 states, "the Confederation had always claimed that earnings at the works should be comparable with those of similar modern plants in the steel industry elsewhere in Britain such as Shotton, Spencer and Port Talbot." Again, section 27 reads, "In the Confederation's view comparisons in the present case must be made not with other Scottish works, but with comparable leading iron and steel plants in England and Wales, and particularly with the strip mill section of the industry."

Clearly the union's Divisional Office responded to the opportunity presented by the technological innovations and formulated a strategy whose central purpose was to break through the lower Scottish standard of earnings. Further evidence of this lower standard of earnings as it

applied to craftsmen will be given later. Finally, this more assertive strategy coincided with the appointment of a new divisional officer to the Glasgow office.

The Craft Unions

As shown above there were six craft unions at Ravenscraig in the period 1964-70. It was also noted from membership figures that the AUEW with 374 members was the largest of these. The union organised all fitters, turners and most of the semi-skilled craftsmen including riggers. The next largest union the EETPU had 202 members and organised the electricians, electrical fitters, instrument mechanics, and a few other assistants such as lampmen. The third largest union, the Boilermakers (ASBSB&SW) with 131 members, organised all platers, welders and a few semi-skilled burners. The remaining three unions were very much smaller, that is, the Plumbers (EETPU) with 67 members, Blacksmiths (ASBSB&SW) with 18 members and the Amalgamated Society of Woodworkers (UCATT) with 10 joiners at the works.

The membership of the craft unions was partly sustained by the existence of a pre-entry closed shop. There was no formal written agreement, but no craftsman would be employed at the works unless he possessed the appropriate union card. When a non-unionist applied for a job, he was informed by the personnel department to secure a card from the local branch, and on obtaining the card, to start work. Consequently, craft union membership at Ravenscraig was one hundred percent.

Representation within the craft unions was organised along the following lines: (18) Each individual union had several shop stewards elected by section and small work groups in the various departments. In effect, this meant that each department not only had a shop steward for each individual union, but

also for the different occupational groups within one union. For example, the AUEW had separate stewards for fitters and riggers. In turn, all the stewards within a particular union elected a convener to speak on behalf of their union.

The Ravenscraig Joint Shop Stewards Committee consisted of the conveners of the individual craft unions, who elected from amongst themselves a convener and secretary, who became the principal officers of the committee. The purpose of this committee was to pursue with management any question which concerned the interests of the craftsmen, and which affected more than one union. Such matters, as will be shown subsequently, often took the form of negotiations about additional payments and particularly working arrangements. However, this was not to say that each individual union had not and could not have separate interests which it pursued with management outside the joint committee structure as for example with discipline and dismissal cases. On balance however, the degree of inter-craft joint working was high at Ravenscraig. The situation was thus very different from that at Corby.

The Works Joint Craft Committee was part of the formal trade union structure in the industry, and as a legitimate institution was readily granted recognition by management for collective bargaining purposes. Sources for this legitimacy are to be found by reference to the Scottish procedure agreement (19) made between the Scottish Iron and Steel Trades Joint Committee (SISTJC) and No 1 Division of ISTE A in 1957. This agreement, in turn, fits within the national agreement made between the National Joint Trade Union Craftsmens' Iron and Steel Committee (later the NCCC) and ISTE A. The national procedure agreement refers to, and allows in clause 5, for negotiations between management and representatives of the craft unions at works level.(20)

Another feature of the relationship between the joint committee at Ravenscraig and the SISTJC concerned representation on the latter's negotiating committee. The constitution of the SISTJC followed the model laid down at national level and allowed each affiliated union to have a minimum of one representative on the committee, with additional representation agreed at local level on the basis of the affiliated membership. In Scotland all trade union full-time officials were members of the committee with at least one lay union representative from each union. The joint committee appointed a chairman and secretary with the latter the main driving force in its day to day deliberations. Again, in accordance with the model constitution, the SISTJC elected a negotiating committee which consisted of five persons, that is, chairman and secretary, plus three others. One of the three was a full-time official and the remaining two were shop stewards from works within the area or district. The negotiating committee also had powers of cooption. However, unless the cooption powers were used, there were only two lay representatives on the committee from the eleven works in membership of Nol Division, ISTEA. In fact, the Ravenscraig craftsmen had no direct representation on the Scottish negotiating committee, and this would seem to have been one element in their apparent lack of commitment to Scottish area negotiations.

Finally, there is the question of the relationship between craft and production unions at Ravenscraig. In the period 1964-70 the relationship can be taken as at best indifferent, and at times one of crisis and hostility to one another. There were various reasons for this. One reason, considered previously, was management's preference for the traditional autonomous and fragmented structure which facilitated local bargaining by the production union branches, but not by the craft unions. The explanation of this will become clearer after the collective bargaining arrangements of both groups have

been discussed. Other reasons for the hostility related to lack of understanding encouraged by different union organisations and the different commitments of production and craft workers to the industry. These attitudes had much to do with the industry's historical development, technological advancement, and with the culture and ideologies which had developed within and between the two groups.

The Collective Bargaining Arrangements and Problems Arising

In the following analysis the work force is again divided into maintenance and production workers, including service workers. Their methods of job regulation, factors which have already been associated with bargaining structures (see Chapter Five, page 142), are then used to analyse this aspect of the industrial relations system. In addition, the analysis will then attempt to identify and explain the major industrial relations problems.

The maintenance workers fall into two main categories, craftsmen and non-craftsmen. The craftsmen and semi-skilled as mentioned previously were organised into six craft unions. The others, the non-craftsmen, were organised in Ravenscraig branches Nos 7 and 8, which covered such occupational groups as craftsmens mates, greasers and storemen. The craft unions will be dealt with first.

One significant difference between craftsmen and production workers was that the former had relatively much less to bargain about at works level. On wages this amounted to a few extra payments for working with special tools, which in value terms, rarely amounted to more than 2d per hour above the hourly rate of 4/11.21. These extras were normally negotiated at departmental level between the local engineering manager and the shop steward of the

appropriate union. Much more important, however, was the amount of collective bargaining which occurred over abnormal condition money (ACM), that is, extra payment to compensate for dirt, oil, grease, dust, fumes, etc., encountered on the job. Negotiations over this issue were important to the development of subsequent events.

Ravenscraig had paid ACM on the ore preparation and sinter plants from the late 1950s,(21) but not in other departments. In this period new capital development brought into operation the bigger and dirtier No2 sinter plant in 1963, and the new basic oxygen shop in 1964. Both these plants generated a lot of fine dust which the extraction equipment could not handle efficiently. As a result, pressure began to build up from the Joint Craft Committee to spread the ACM payments to these newer units of plant.

Also, about 1964, discussions were going on at Scottish level between the SISTJC and Nol Division of ISTE A, in order to establish a payment for maintenance craftsmen working on jobs agreed locally, within each works, to be excessively dirty. The divisional agreement became operative in October, 1965 and paid 3d per hour for performing agreed dirty jobs. In addition, there was a minimum payment of four hours, and a free issue of overalls every six months. This agreement applied to all works in Nol Division, including Ravenscraig. For a time the Ravenscraig Joint Crafts Committee went along with the Scottish level negotiations, and pressure at the works eased off. However, when the Scottish discussions were near to completion and their substance known, the Ravenscraig craftsmen decided to break out and pursue their own claim. They argued that Ravenscraig due to its size, technology and inferior working conditions differed from the rest of the Scottish works. Thus the Ravenscraig craftsmen considered themselves outside the divisional

dirty work agreement, and although management tried, the agreement was never applied at the works.

With the refusal of the Ravenscraig craftsmen to accept the divisional agreement, the committee again exercised pressure to secure extra payments in excess of the 3d obtained at Scottish level. Ravenscraig management's response was to resist and offer the divisional agreement. Moreover, given their commitment to the traditional bargaining structures, management were unable at first to perceive the need for a coordinated strategy at works level to meet the Joint Craft Committee's pressure. Consequently, negotiations were conducted in a piece meal and ad hoc manner by departmental engineers and local shop stewards. The upshot was, that in almost every department whole lists of ACM jobs were agreed and separate values established for each job. This development resulted in literally hundreds of ACM rates throughout the works.(22) Some measure of the significance of Ravenscraig ACM negotiations can be seen from the following figures. In 1965, some 65% of craftsmen received 19/- average ACM or 4.8% of a craftsman's earnings based upon 50 hours per week. By 1968, this figure had risen to 46/4 or 10% of a craftsman's earnings, calculated on the same basis. Thus, the Ravenscraig craftsmen achieved their aim by securing 4½d per hour average ACM payment.

At this point, in 1968, the Ravenscraig personnel department began to recognise the magnitude of the ACM problem and became convinced that some initiative was required to obtain control. This took the form of a works-wide ACM agreement negotiated directly between the works Personnel Department and the Joint Craft Committee. The agreement divided the works into four areas for ACM purposes, that is, ore preparation and sinter plants, basic oxygen shop, open hearth shop, and the remaining iron works area. No payment

was made in the mills. The agreement made a flat payment per hour for specified jobs in each plant, and the highest payment was in the sinter plant. It became operative in 1970 and terminated all local departmental agreements reducing the number of rates from literally hundreds to four.

This shift in the level of collective bargaining, on the one hand from departmental to works level, and on the other, from divisional to the works level, had the effect of reducing the negotiating powers of both departmental engineers and the Group Labour Office. Thus the change met with some resistance from both quarters. What then brought about this change in managements traditional attitude?

There were several factors at work. First the Joint Craft Committee favoured the development as a means of establishing control over its own members as having the right to negotiate this important issue would enhance the committee's status. On the management side, the change in attitude could be traced to the increasing influence of the new personnel manager. Since his arrival at Ravenscraig he had increased the degree of coordination in management's response to union claims. This was achieved by obtaining authority for the personnel department to negotiate and make agreements with the unions, although this strategy left the traditional collective bargaining and wage structures in tact. But with the conclusion of the craftsmen's ACM agreement an innovation had taken place at the formal level with a change in the collective bargaining arrangements and in the wage structure itself. Furthermore, the Group Labour Office was powerless to oppose the change partly because the Ravenscraig craftsmen had dissociated themselves from the divisional dirty work agreement, and were creating difficulties at Ravenscraig.

A third factor which increased the personnel manager's influence within

the management decision-making process was the provision, for the first time, of systematic information showing the amount of ACM paid, and the upward direction of the trend. ACM payments had not been part of the official wage structure until the divisional agreement of 1965, and therefore they had grown up at Ravenscraig in a semi-informal fashion.(23) Thus, during most of the 1960s, a system developed whereby each departmental engineer negotiated a series of piece-meal agreements, and the specific workman's hours were recorded at a given ACM rate. This record was sent by each engineer to the pay office. At the pay office, the clerks simply worked out each man's entitlement for pay purposes. In other words, no senior manager in the organisation knew the amount of cash paid out in the form of ACM, what this constituted as a proportion of the craftsmen's earnings, or whether the amount paid out had increased, fallen, or remained stable over the years. Hence, when the personnel department, on its own initiative,(24) established the information, it became clear to all that the previous strategy (offering the divisional dirty work agreement, whilst leaving departmental engineers to negotiate) was a failure. Therefore, Ravenscraig personnel department's argument that a works-wide ACM agreement would increase management control eventually won acceptance.

These, then, were the wage issues negotiated within the works, both being the subject of formal and precisely written documents made at departmental and works level. Moreover, all the agreements were open ended, except the works-wide ACM agreement which contained a fixed two year period.

However, the rules regulating other issues were much more controversial and fell within the area of unilateral regulation by both management and union. On the question of manning, there was no agreed standard manning as with production workers. Here, management reserved the right to alter the craft labour force upwards or down wards as circumstances dictated. Also,

the method of rota working did not apply universally as with production workers, as only one third of craftsmen worked on continuous shifts. The day shift craftsmen worked in this period from Monday to Friday with overtime - usually two nights and a Saturday and a Sunday. Saturday, for social reasons, was a difficult day on which to get the required manpower. Nevertheless, management did not have a problem getting the maintenance men to work overtime, except when the unions decided to use its withdrawal as a sanction to achieve some other objective. On the other hand, when trade deteriorated and management attempted to reduce overtime unilaterally, the Joint Craft Committee challenged their decision.

In the period 1964-68, the works rules were not written down. This caused such confusion and opposition when management imposed sanctions to enforce them. Further, the absence of written rules allowed scope for departmental managers to exercise discipline without much regard to co-ordinating discipline across the works. Again, this problem was tackled by the new personnel manager who devised a written works rule book which went some way to coordinating the degree of punishment meted out to offenders. Of course, craftsmen were subject to the same set of works rules as production workers and similar problems arose over individual infringements, and lack of consistency in the application of the rules. With craftsmen, however, the disciplinary problems and general challenge to managerial authority seemed much more extensive than with production workers. For example, in the years 1964-66, out of the nineteen strikes by maintenance workers, ten or 53% fell within this category, whereas the comparable figures for production workers were forty three strikes of which eighteen or 41% fell into the discipline/authority area. The craft unions also disputed such items as the right of staff to use tools on jobs claimed by craftsmen, and the use made by management of contractors in the works. On this latter question, the

Joint Craft Committee eventually agreed with management that contractors would only be employed on new fabricating work and not on maintenance work. Although this improved the situation, it did not solve it, partly because at the margin this distinction became blurred. The unions exercised job demarcation rules unilaterally but this did not appear to generate much conflict. This was probably due to acceptance on the part of management; but although acceptance might reduce conflict, it was also indicative of inefficiency.(25)

Much of the above negotiations were conducted at departmental level, although in the case of the contractors issue, negotiations often took place at works level. Consequently, the coverage of both formal and informal agreements embraced largely the local work groups concerned. On the whole then, the number of issues subject to formal joint regulation was rather narrow, with a number of other issues subject to management prerogatives, increasingly challenged by the unions. Over these latter issues management was often forced to negotiate.

At Scottish area level there were two important substantive agreements which applied to Ravenscraig. The first and least important was the Divisional Hot Work Agreement (26) which applied to open hearth shops throughout the Division, including Ravenscraig. The Ravenscraig craftsmen did not oppose the application of this agreement as they did the dirty work agreement.

Secondly, the tonnage bonus agreement was much more important in the sense of providing another insight into the Ravenscraig craftsmen's strategy. The aim of the tonnage bonus was to give the maintenance men a share of the prosperity of their works, although they did not contribute

directly to output. This bonus could contribute something like 17% of the craftsmens earnings, depending upon the amount of overtime worked. The method of calculation was simple; the parties agreed a sum (in the 1965 agreement, 60/- per week) and this was divided by the standard output to furnish a bonus rate per ton, which was then multiplied by actual weekly output. In theory the actual output ought to be the same as the standard output.

However, at Ravenscraig and Gartcosh the actual payment was 10/- per week higher. This partly reflected the difficulties the negotiators had in establishing a standard tonnage for the relatively new Ravenscraig Works, subject as it was to technological change up to 1964, and whose outputs were low relative to capacity. Therefore, the estimated standard tonnage at Ravenscraig was subsequently outstripped by actual tonnages. However, much more difficult to assess, was the accommodation made by the divisional negotiators to contain the militancy of the Ravenscraig craftsmen who were pressing to achieve earnings in line with those paid at the Welsh strip works. This appears to have been a factor, especially in the light of the ACM item and the Ravenscraig craftsmen's break-away over that issue.

Certain agreements made at national level applied to Ravenscraig Works. The most important included the national hourly rate of 4/11.21 (1964-69), the hourly cost of living addition, the November 1964 Efficiency 10/- per week plus extra payments for Service and Qualifications, a rota extra payment per hour for continuous rotating shifts, gift hours (or shift allowances) for back (2.00 pm - 10.00 pm) and night (10.00 pm - 6.00 am) shifts, premium for weekend and overtime working, holidays and holiday-with-pay entitlements, standard weekly hours, and finally the guaranteed week agreement.

Given the purpose and function of the procedural rules (described on page 145 above), the craftsmens' procedure agreement was formally written and agreed in 1957, replacing the custom and practice which had built up over the years. The agreement (27) formalised recognition for collective bargaining purposes to all craftsmen in membership of the signatory unions. Also it emphasized that iron and steel was a separate industry - probably due to the established practice in Scotland whereby steel craftsmen followed up to this time engineering industry rates.(28) The agreement also contained a peace clause outlawing the use of sanctions during a dispute by either management or unions prior to the procedure having been exhausted.

The procedure contained various stages at which issues could be initiated and matters dealt with arising from the lower levels, where failure to agree had been recorded. These stages allowed a workman to "raise any matter" initially with his foreman and failing agreement, for the shop steward to approach the departmental manager. Again, if no settlement was reached a third meeting was arranged between the works manager (at Ravenscraig the chief engineer) and shop stewards. It was at the third stage that the agreement made specific reference to matters affecting more than one union and allowed for representatives of the Works Craftsmen's Committee to meet the works manager. On a failure to agree a fourth stage involving the previous personnel plus the full-time official of the union concerned was arranged. If the issue involved more than one union, then the representatives of the SISTJC would be represented at the works. The fifth stage was external to the works and allowed for a joint sub-committee of six employers' representatives (including three ISTEA officials) and six union representatives (including three SISTJC representatives) to be held. If a failure to agree was still recorded then the issue went to a full Divisional Conference to be held within four weeks of the request being made. This

was the only point at which a time limit was mentioned. On failure to agree, provision was made for voluntary arbitration, or alternatively reference of the issue to the national office of ISTEA and the unions concerned.

There was no procedural differentiation, the procedure being formally used to handle all disputes (for example clause 2 (9) "Workman desiring to raise any matter") including even those considered by management to be part of their prerogatives, such as over the use of contractors in the works. The right of recognition and representation for shop stewards, even the right of the Joint Shop Stewards Committee were clearly spelled out in the agreement. The issues on which the shop stewards had the right to negotiate were not specified and the phrase "to raise any matter" could be taken to mean that it applied to all issues, or alternatively only to those which management considered not to be part of their prerogatives, and therefore the subject of joint regulation. Given the date the agreement was made, this latter meaning is the more probable, but the choice of words obviously left room for confusion. On the question of facilities the procedure agreement said nothing. Here management allowed shop stewards, subject to permission of their immediate supervision, reasonable access to all members organised by their union. This applied to all union conveners and to the convener and secretary of the Joint Craft Committee. This proved restrictive as the craft union membership was scattered throughout the works. Consequently, conveners often wanted to meet to discuss issues between themselves of common interest, but no meetings of this type were allowed in the works. This, in turn, created problems for intra and inter-union communications, and meetings were held outside the works gates at lunch time, which often resulted in a lock out and a work stoppage.

Management for their part had the right to expect workers not to impose sanctions until the procedure had been exhausted. However, although the procedure was agreed for the Scottish area, this made little difference to the behaviour of the Ravenscraig craftsmen, who struck work frequently in breach of procedure.

Bargaining unit sizes varied greatly amongst craftsmen, from the individual union pursuing its own discipline case to the Works Joint Committee dealing with management on such issues as a "make up" in tonnage bonus earnings, or the negotiation of the ACM agreement in 1970. In the wages area the most important item was the negotiation of ACM payments and these throughout the 1960s, were largely conducted within the departments. Therefore, any one agreement covered only a small proportion of the total craft force. Of course, this created a tendency for work group competition and leap frogging leading to autonomous and fragmented bargaining. In the procedural context, the problem for management was always to solve the immediate problem, with little attention given to the repercussions of such settlements upon other groups. Thus, given the collective bargaining and management organisation of the period, the works personnel department role was essentially a fire fighting one in which little coordination was achieved. However, as shown above, from around 1966, a process of change was underway within management's organisation. This change involved the personnel department playing a more influential role, one outcome of which was the works-wide ACM agreement.

In dealing with non-craftsmen reference will be made to craftsmen's mates, who constituted by far the largest number of workers in this group. In many ways the craft mates were in a peculiar position. On the one hand they were maintenance workers, the junior partners of the craftsmen and

therefore were required to follow the craft unions. On the other hand, they were in membership of the Confederation, which was the largest and most powerful union in the industry and this led to certain difficulties viz-a-viz the craft unions.

The labourers' branches negotiated at departmental level extra payments per hour for members with additional skills or using certain items of equipment, for instance engineering crane lifts. These extras were not a significant item in a man's earnings. ACM payments however were a more significant factor, with the craft mate receiving two thirds of the sum paid to the craftsmen. The branch officials were dissatisfied with this percentage and made many unsuccessful attempts to have it altered. They argued that the mate got just as dirty as the craftsman, not two thirds as dirty. Moreover, to make matters worse, management often negotiated with the craft unions, and then automatically applied the settlement (at two thirds) to the mates. There were few jobs unique to the mates. In one way this undermined the status and importance of the labourer's branch officials, and helped generate resentment between the two groups. This was a further reason for the lack of understanding which existed between the craftsmen and the Confederation.

With regard to other issues such as overtime, hours of work, rota methods of working, works rules, discipline, etc., the branch officials faced the same problems as the craft shop stewards and reacted in the same way by challenging management decisions. Thus, the collective bargaining arrangements of the craft mates closely followed those of the craftsmen in the substantive sense.

The tonnage bonus agreement was made at divisional level for all works

except Ravenscraig and Gartcosh.(29) At Ravenscraig the agreement again reflected the union's strategy to treat the Colvilles strip works separately from the other works. The Confederation won this point under a Neutral Committee settlement (30) in the light of an Industrial Court recommendation. (31) The Neutral Committee awarded bonus earnings in excess of those paid at other works in the Division, that is, approximately 29/- compared to 25/- per week.

At the level of Nol Division, the craft labourers situation was different from that of the craftsmen. The labourers hourly base rate (2/2.89 in 1966) was a divisional agreement (32) whereas the craftsmen's was based on a national agreement. Furthermore, as a base rate it was plussed up by the melters' (75%) sliding scale agreement.

All the other rules affecting the craft labourer's rates and conditions at Ravenscraig were determined at national level. The most important of these included: the hourly cost of living payment, the melters' sliding scale, the rota extra for continuous shift working, gift hours (or shift allowances) for back and night shifts, overtime and weekend premiums, holidays and holiday with pay entitlement, the standard weekly hours per week, and the guaranteed week agreement.

The labourers' procedure took the same customary form as that of the production workers. However, the problems experienced and raised within it were the same as those raised by the craftsmen. Therefore, when an issue was raised in procedure and not settled it went through the various stages and eventually reached Neutral Committee level. The problems, rights, responsibilities, and facilities of the branch officials were also similar to those of the craftsmen. Similar also were the size of the bargaining

units and the resultant procedural problems. These problems partly resulted from management's organisation and the collective bargaining arrangements.

At Ravenscraig, substantive rules for production workers were mainly decided at departmental level between the departmental manager and the branch officials, although issues often moved up the procedure before settlement was achieved. At the works, wages in the form of base datal and base shift tonnage bonus rates for particular work groups were settled at this level. In the case of the tonnage bonus rates, these are normally based on some standard output of a particular piece of plant to produce an agreed level of bonus earnings to the work group. The tonnage bonus element in a man's gross shift earnings could constitute anything up to 40% of total earnings.

There was one important exception amongst production workers to this datal/bonus wage make-up and that was the open hearth shop melters. They were paid on the national "Brown Book" agreement which gave the melters straight tonnage earnings. The only time element in the wage was the then current cost of living payment. The Ravenscraig melters remained on this up to late 1966, when they negotiated a wage structure nearer to that of the production workers at Scottish Divisional level.

Another feature of the production workers collective agreements in the steel industry, and Ravenscraig was no exception, was a statement written into the agreement that wage rates would remain unaltered, subject only to a change in working practice.⁽³³⁾ The latter refer to organisational or technological change which altered in some way the working arrangements of a group. An example would be the introduction of radio communications for locomotive drivers. Here the union would claim that the change had created

additional duties, although in effect the radios might have made the job of the drivers easier.

The production agreements were open ended in form, that is, they had no fixed terminal dates written into them. Furthermore, on wage issues the agreements were formal, well and precisely written, commencing with a preamble followed by a clause cancelling the previous wage rates and establishing the new rates, and finally, signed by the representatives of the employer and the union.(34)

The coverage of such wage agreements were often quite small and complex, for example they might cover a whole department as with the blastfurnacemen or a sub-section of a department. An illustration of the latter was the open hearth shop with its four separate units in a department employing about 344 employees. One unit consisted of the melters attending the steel making furnaces; a second the pitside grades responsible for teeming the liquid steel into ingot moulds. Both groups belonged to Ravenscraig No1 Branch. Then, there were the machinemen responsible for the transport of metal, and charging furnaces with hot metal and cold scrap. They had their own No11 Branch. Finally, there were the labourers whose primary function was to fill-in (by turn) on production jobs on a temporary basis to cover for holidays, sickness, and absenteeism. The labourers were in membership of Ravenscraig No8 Branch. This situation described for the open hearth shop could be repeated for other departments throughout the works, and shows that the wage determination process was influenced by a multiplicity of small bargaining units.

The manning of units of plant and the method of shift rota working were the subject of formal job regulation. Manning negotiations were not all

that common and normally only became an issue if the work load of a group went up markedly, or if a new unit of plant was installed, although, the practice in other works with similar equipment provided a rough guide. In this period there was no question of work study techniques being used to establish manning standards. At Ravenscraig, nearly all production operatives worked five or six shifts per week, with a day, or two days off, falling on various days of the week.(35) However, the twenty one shift rota did not apply to the slabmill which worked a twenty shift week, and the hot strip mill and finishing departments where the normal seventeen shifts were operated.

The existence of agreed standard manning and rota methods of working meant that overtime was not a problem amongst production workers. Average hours worked in the middle 1960s were above the standard week of 42, but not by much. For example, production workers at the open hearth shop averaged 44.86 hours worked. Any overtime worked was due to absenteeism or sickness.

The introduction of new or small changes in equipment was usually not a problem, that is, there was no hard status quo. Disagreements did occur, however, over rates to be paid for the job, and sanctions were often imposed when negotiations got protracted and difficult. But, here again a practice existed at Ravenscraig as at Corby which helped to overcome this problem, by payment of the new rates retroactively. This encouraged management not to delay negotiations too long and the workers to accept the change without imposing sanctions.

All the above issues were the subject of formal written rules; but there were other issues which did not come within the scope of formal agreements. Many of these issues were the subject of managerial prerogative and

unilateral regulation. The most important were the works rules (dealing with time keeping, absence from work, payment of wages, etc.) discipline and dismissal, and redundancy.

With regard to discipline and dismissal, branch officials, like the shop stewards, often, but not always, challenged management decisions. More accurately, the principle of management's right to impose discipline was not challenged, but inconsistencies and anomalies, seen by union officials between the degree of punishment given for a particular offence in one department compared with another, were challenged. Of course, this was the problem which the new personnel manager tried to tackle around, 1968. In addition, branch officials often challenged management, not because they thought workers were blameless, but in order to try and reduce the degree of punishment. Thus, lay union officials often acted in the role of advocate in their members' interests. The upshot of all this was that management often found themselves, after exercising discipline, having to negotiate out of a situation which was explosive. However, the decision to reinstate or reduce the severity of a suspension was often covered by senior management informing branch officials that they had done so for considerations of leniency. Similarly with redundancy, management's decision to make X men redundant was challenged and followed by negotiation between the parties.

Production workers in turn imposed unilateral rules upon management. The most important was promotion by seniority. For example, when a workman entered Ravenscraig, he joined either the iron, steel or mills labouring pool. He then by turned on a temporary basis onto one of several promotion lines. Finally, he chose a line when a vacancy occurred. Once on the bottom job the man advanced up the promotion line (ladder) to the top position on the basis of seniority. Some of these promotion lines were long and it took

many years to achieve the top job.(36) Trade union control over the promotion line was accepted by management. Although with regard to the top job such as that of mill rollerman, management could hold different views on the suitability of the next most senior candidate. In such circumstances management challenged the seniority rule as its operation was likely to adversely affect production. The seniority rule as suggested previously was also used by the union to enforce its closed shop policy. For the branch would refuse promotion to an "out of compliance" member.(37) The above factors created internal problems for the branch, for instance, if a man was refused promotion he became a "sticker" in his present job, and two or three stickers effectively abolish promotion. Hence, Confederation branches were intimately involved in the problems of administering the promotion lines.

For production workers, rules made outside the works with the exception of those affecting melters after 1966, were made at national level. The collective agreements included: the annual wage round which added a flat sum or percentage per week to earnings for the standard week, a minimum earnings level for labourers, a sliding scale addition at 75% which was added to all base shift data and tonnage bonus rates to give gross shift earnings, and the monthly cost of living payment. The standard hours per week, shift overtime and week-end premiums were also regulated at national level. In addition, the guaranteed week agreement, holidays and holiday with pay entitlement and the extended working week agreement which applied to the mills were made at this level.

In terms of procedural rules the ISTC had recognition to represent production and maintenance workers for collective bargaining purposes. The customary procedure was well established and the various steps known to managers and branch officials at Ravenscraig. The domestic procedure

contained three levels, that is, departmental level between managers and branch officials, works level between works manager (subsequently the personnel department) and branch officials, and again at works level with the addition of the union's full-time official. If a failure to agree was recorded at all the domestic levels, the issue went outside to a Neutral Committee. Above this level was a National Sub-Committee stage for dealing with national issues and from time to time with an unresolved dispute coming up from the works. Finally, arbitration could be invoked if the parties would agree. There was no customary time limits to these various stages.

At this point it is necessary to consider the question of the Neutral Committee and the manner in which it operated at Ravenscraig Works. These committees in the period prior to nationalisation were neutral in the sense that the union's divisional officer arranged for two respected lay officials from a company not concerned with the dispute, to hear the case. The employer's side would do likewise. The four neutrals, one of whom was elected chairman (usually a manager), sat in formal session and heard the statements of the case - both verbal and written - presented by both parties. The union side was always led by a full-time officer accompanied by the branch officials concerned. The employer's side, by the managers concerned, the personnel department and the local secretary of the ISTEA. The personnel department prepared all written and statistical evidence. After hearing the case, which might involve an adjournment after the initial statements so that the committee might see at first hand the work place concerned, the Neutrals retire into closed session in order to hammer out an agreement in the light of their remit and the evidence presented. Alternatively, they might fail to agree or refer the issue back to works level for settlement with certain recommendations. Most important, however, was the Neutral Committee's plenary powers to make decisions which were binding upon both parties. (38)

The only exception to this formal procedure was that both sides usually made informal contact with their respective Neutrals on the evening prior to the meeting to ensure that they understood the strong points of their respective cases.

The Neutral Committee stage of procedure was not used more than a couple of times a year at Ravenscraig, although this was said to be much more frequent than at other Scottish works. Some evidence (39) was available on this which shows the number of recorded claims submitted at Ravenscraig in the years 1969/70. Of the 140 claims submitted, 62 or 45% were either dropped or settled at stage one of the procedure, 48 or 34% at stage two, 28 or 20% at stage three, and only 2 or 1% reached Neutral Committee. The kinds of issues that the procedure dealt with predominantly related to wages 77%, and discipline 10%. Quite clearly then, the domestic negotiators dealt with the large majority of claims at the works.

There was no procedural differentiation at the works. The procedure was used as an all embracing channel to process all issues whether these were considered legitimate or not by management. With regard to facilities, these did not amount to much in the period. Branch officials were allowed reasonable access to all members organised by their branch, subject to permission by their supervisor to leave the job. Similar provision was made for officials to attend joint management/union meetings. However, no formal provision was made to allow meetings in works time, although short informal ones were held. Nevertheless, on balance, given the way the industrial relations system was organised in the works, these facilities seemed to reflect the structural needs of the system. Thus, there was no pressure from the production union, unlike the craftsmen, for an extension to facilities.

Management for their part had a customary expectation that workers in dispute would abide by the procedure and not impose sanctions until it had been exhausted. However, it did influence behaviour, although as shown subsequently, branches certainly did impose sanctions in breach of the customary procedure. Moreover, strike action was almost always unofficial and in breach of Rule 19, clause 2 of the union's rule book.

Finally, procedure agreements are also concerned with jurisdiction and the coverage of particular collective agreements. As shown above, at Ravenscraig the bargaining units were very small, often sub-departmental in character, and with more than one union branch in a department. Given this situation, disputes processed through the procedure were primarily concerned with the resolution of a specific work group's problem. Unfortunately, a solution which satisfied one particular group, often created a problem for some other group in this very autonomous and fragmented bargaining system. This, in turn frequently triggered off a claim by another group in order to re-establish what they considered to be their proper place in the works wage and status structure. Furthermore, the Neutral Committee procedure reinforced the legitimacy of this in that it gave the small work group the right to pursue through the branch a claim to an outside institution, irrespective of the effect upon other groups. Moreover, given the remit of the Neutral Committee and the collective bargaining arrangements, consideration of the other work groups' problems were shut out. Some evidence of this dynamic process at work will be presented later in connection with the strike in the power service department. Therefore, in the procedural context what existed was a system of work group competition which threw up a multiplicity of claims which in turn put a strain upon the effectiveness of the procedure.

The main production worker problems were related to the internal works wage structure, and also to the wage relativities between work groups. For wage negotiation purposes production workers were organised into eight branches and within each branch there were several work groups. Normally a work group was associated with a specific promotion line with jobs manned up over three shifts. The method of payment rose progressively as the workers proceeded up the promotion ladder. This system was functional from an organisational point of view, in that it provided workers with the goal of promotion and higher rewards. Thus, promotion lines increased the workers job satisfaction, and thereby integrated to some extent their interests with those of the organisation. Problems can and did arise within the work group, however. For example, a change in working practice affecting lower level jobs only, might, if treated in isolation, result in a narrowing of internal group wage differentials. When this happened dissatisfaction built up amongst the more senior workers. This was usually expressed as follows: "why should X who is on the bottom job and employed for only six months get paid only 1/- per shift less than Y when he is on the third top job and been employed for five years?" Piecemeal changes like these required to be watched by management and planned ahead if possible. However, given the bargaining arrangements, this type of problem was not uncommon. In such circumstances the branch was involved in sorting out the problem, although they often had difficulty reconciling the conflicting interests between lower and higher paid men. But at least the opportunity was there within the bargaining structure for management and union to handle the problem intelligently.

This was a central problem concerning wage differentials internal to existing bargaining units. However, attention must be given also to problems between the different bargaining units. The next table shows the

works wage structure as it existed in April 1966, commencing with the highest paid occupation and average wage within each bargaining unit.

Table 7.5

Bargaining Units at Ravenscraig, Top and Average Wage, April 1966.

Slab Mill		Hot Strip		Basic Oxygen	
<u>Soaking Pits</u>		<u>Mill</u>		<u>Shop</u>	
Mill Operator	£43.06	Heater	£38.00	1st Vesselman	£37.01
Average Wage	£24.57	Average Wage	£25.90	Average Wage	£29.04
<u>Open Hearth Shop(40)</u>		<u>Basic Oxygen Shop</u>		<u>Open Hearth Shop</u>	
1st Melter	£36.97	Teemer	£35.16	Teemer	£34.20
Average Wage	£28.32	Average Wage	£22.79	Average Wage	£23.34
<u>Blastfurnaces</u>		<u>Ore Handling</u>		<u>Sinter Plant</u>	
Keeper	£30.80	Operator	£26.91	Operator	£26.03
Average Wage	£25.20	Average Wage	£23.82	Average Wage	£22.57
<u>Basic Oxygen Shop</u>		<u>Coke Ovens</u>		<u>Maintenance</u>	
Stripper Crane	£25.85	Heater	£25.46	Craftsman	£25.34
Average Wage	£23.97	Average Wage	£22.02	Average Wage	£25.34
		<u>Power Services</u>		<u>Open Hearth Shop</u>	
		Switchbrd Attd	£25.20	Charge Weigher	£23.17
		Average Wage	£21.85	Average Wage	£21.46
<u>Coke Ovens</u>		<u>Traffic</u>		<u>Maintenance</u>	
By Products	£23.09	Loco Driver	£21.38	Craft Mate	£20.96
Average Wage	£21.62	Average Wage	£19.83	Average Wage	£20.96

source: BSC, Ravenscraig Personnel Department

The above table does not give complete information on all bargaining units and, in fact, covers 1,814 production and maintenance workers out of an approximate total of 2,776. However, it does cover most of the important bargaining units with the notable exception of the dispatch and hot sheet finishing department. The table shows several features of the wage structure that are worth noting:

- (a) The relatively high position of the slab and hot strip mill departments and the basic oxygen shop groups.

- (b) The 1st hand melter, held as the traditional aristocrat of the industry, was not the top paid occupation at Ravenscraig.
- (c) The further one moves from the finishing end of the works (that is, mills) back through the steel works to the iron works (that is, blastfurnaces, ore handling and coke ovens) the lower down the wage league top occupations are to be found.
- (d) The average wage for the promotion line can diverge significantly from the top wage. This partly reflects the degree of skill to be found in the total line as opposed to the top occupation, and also the outcome of negotiations as described above.
- (e) Finally, although the craftsman was placed fourth in average earnings he occupies a very low position in the wage league of top occupations.

The table identifies seventeen bargaining units which are independent of each other in the context of pursuing their own interests to the maximum. Given the collective bargaining and wage structure characteristics, and the management and trade union organisations described earlier, there was no pressure on the small bargaining groups to take account of their actions upon others. Also, as discussed previously, support for the independent pursuit of branch and work group interests within the established structures stemmed from the Divisional Office strategy which sought to obtain earnings comparable with those paid at the Welsh strip mills. This expectation and opportunity arose due to the introduction to Ravenscraig and Scotland of hot strip mill technology for the first time. The union decided to use this technological innovation as an argument to break the established pattern of Scottish wage rates which were lower than those paid in Wales and in some parts of England.(41) Consequently, pressure built up from the union side to this end.

Management, on the other hand, attempted to resist this development, and not just for the obvious reasons that employers never want to pay more. For the Confederation were seeking comparable earnings at a time when Ravenscraig was producing about half or less of the tonnage of those works in the south.

(42) Taking the strip mill screw operator as an example, at Ravenscraig in 1965 he was paid £5-3/- gross per shift for 740 tons through the strip mill, whereas at Spencer Works (Llanwern) the equivalent operator was paid £6-1/- gross per shift for 1,331 tons, and at Shotton £7-3/- gross per shift for 1,671 tons. If the Ravenscraig operator on the above rates had been producing at Spencer or Shotton tonnages, his gross shift earnings would have been £7-7/- and £8-1/- respectively. Therefore, by 1965, in the sense of potential, the Ravenscraig mill operators were ahead of workers in those two works.

This was management's dilemma: on the one hand, it was caught with the constraint of union pressure pushing for higher earnings, and on the other, was unable to get production up due to various difficulties, namely, lack of success in the product market, the works technically out of balance, and to industrial relations difficulties. In fact, the hot strip mill designed to produce around 45,000 tons per week, could only manage about 12,500 tons in 1965 - a good trading year. Therefore, management's frequent promises to workers that future tonnages and earnings would be better were not fulfilled, and as a result became more and more regarded as simply "pie in the sky". Consequently, union pressure continued for higher earnings irrespective of the severity of the constraints upon management resulting in (as will be shown later) a high strike incidence at the works.

Furthermore, the argument that Ravenscraig's industrial relations troubles were caused by the initial recruitment of green labour who did not appreciate the peaceful traditions of the steel industry, appears hollow in the light of this analysis. Undoubtedly, the basic factor causing labour

unrest at Ravenscraig was the lower earnings paid compared with the same occupations in the south; coupled with the same technology, and the same wide-strip product. These changes presented the union with the opportunity which it took. However, the fact that the green labour argument was widely believed and has persisted to the present day, suggests that it might have served some other function. This matter will be investigated further in a later section.

Meantime, the labour problems which initially commenced in the mills could not be confined to that area. The mills were seen by other workers to be moving ahead in the earnings league. This caused dissatisfaction among the remainder in the various departments, branches, and craft unions. A good example of this causation at work can be illustrated by union behaviour in the open hearth shop. The open hearth shop initially had only one branch, Ravenscraig Nol, for production workers, although there were three promotion lines, that is, melters, pitside and machinemen. The melters were the highest paid group to whom the wage differentials of the others were related. This was reinforced by years of history and culture in the trade. However, as earnings advanced in the mills dissatisfaction grew in the melting shop and pressure built upon branch officials to regain their position in the works wage structure. Unfortunately, the Nol Branch officials were restricted by the melters Brown Book, a national piece work agreement, which ruled out local bargaining over such things as a change in working practice. Of course, they could have pushed for the pitside and machinemen, but that would have meant an erosion of established wage differentials within the bargaining unit. As a direct result of the branch officials' lack of militancy, the machinemen eventually broke away in 1964,(43) and established their own Ravenscraig Noll Branch. This act allowed the machinemen to engage in local negotiations free

from the constraining influence of the melters. Furthermore, the melters themselves became increasingly dissatisfied with the Brown Book for the above reasons, and they came off it in 1966.(44) The new agreement made at Scottish area level allowed them to engage in local bargaining on the basis of a change in working practice.

Yet another factor influencing the establishment of Noll Branch was the bringing on stream of the basic oxygen shop in 1964. This steel making process described in Chapter Two page 18 was to revolutionise the work flow by speeding up the transmission of molten iron to finished steel. As explained previously this innovation reduced the significance of certain technological buffers existing in the traditional technology and made the work flow much more interdependent. Consequently, the machinemens' power increased markedly, as did that of other work groups such as blastfurnacemen. In other words, work groups whose previous strike activity might reduce the volume of works output, could now shut down production completely.

This analysis furnishes another illustration (the first concerned craftsmen) of how the production union and its branches responded to the changed circumstances at Ravenscraig brought on by the technological innovations. In both these cases the existing collective bargaining arrangements and wage structure were challenged, then broken up and replaced by new more fragmented arrangements. However, in the case of the craftsmen the above analysis constitutes only one strand in the argument, the other was related to their dissatisfaction with their low wage position in the industry.(45) Like Noll Branch melters, the Ravenscraig craftsmens' earnings were largely determined at higher levels in the collective bargaining structure outwith their direct control. Further the 1965-70 incomes policy might have contributed to the

dissatisfaction experienced by both groups. This effectively curtailed wage increases at national level, and in the craftsmens' case the hourly rate remained at 4/11.21 per hour between November, 1964 and March 1969. Thus, at a time when the craft unions and the melters were constrained at national level, the production branches were much less subject to the scrutiny of incomes policy and could more easily negotiate wage increases at departmental level. Of course, for the craftsmen, the industry had an answer to this in the form of the More Effective Use of Maintenance Manpower agreements, but these were slow to develop. Hence, the Ravenscraig craftsmens determination to exploit the ACM issue, and to avoid the divisional level agreement. Also, the melters rejection of their national Brown Book agreement.

The upshot of all this wage comparison activity was to heighten the degree of conflict between work groups and between workers and management. Consequently, in the manner described above, it may have had the effect of moving the whole wage structure up at a faster pace than otherwise would have been the case. It is also possible that the heightened conflict may have had a detrimental effect upon productivity.

Part Three, Evaluation of the Ravenscraig Industrial Relations System 1964-70

This part attempts to evaluate the condition of industrial relations in the period 1964-70, and to provide a background for what happens in subsequent years at Ravenscraig.

The state of health of an industrial relations system involves a value judgement based upon qualitative and quantitative criteria. As in previous chapters this will take the form of measuring the incidence of strike activity,

the labour productivity of the employees, and of observing whether the earnings of employees have outstripped their rate of rise of productivity.(46) Moreover, to complicate matters further, these three criteria, even if they were adequate, can be in conflict with one another. For example, a company might have a low strike record and therefore seem healthy, but this could be achieved by paying inflationary wage increases. Alternatively a high degree of peace might be associated with poor efficiency due to management accepting restrictive job practices. The only way in which such conflicts can be resolved is for a party to decide priorities between objectives; which can be included in its overall strategy.

At Ravenscraig the overall management objective was to secure higher output and therefore productivity from a plant which was very much under-utilized. This was necessary to relieve the company's adverse financial position. A further objective was to achieve greater stability in the industrial relations system in order to improve performance in the product market by meeting delivery dates. To judge this from a management perspective will require an examination of the strike incidence, which in this period was well documented; secondly, to look at productivity which was not so well documented; and finally, to give some consideration to the earnings position.

Strikes, of course, are only one measure of the degree of opposition, tension and conflict within work organisations. In many respects strikes are no more than the "tip of the iceberg"; consequently, the strike incidence of a particular industrial relations system is a very inaccurate guide. Nevertheless, subject to the fact that conflict can be both organised and unorganised (see Chapter Six, page 250) strikes are one guide, and as the works strike figures cover all stoppages of one hour and above, it is a much better indicator than the Department of Employment statistics. The Department of

Employment record strikes involving more than ten workers and those which last more than one day, plus any in which the aggregate number of working days lost exceed one hundred. Furthermore, as notification is voluntary, the Ministry may fail to record some strikes which otherwise would qualify by the criteria.

Also strikes are not necessarily destructive, but can make a positive contribution to an organisation's wellbeing. For instance, a management, aware that a decision made will be challenged by the work force are likely to think and reflect more before making it. This might improve the quality of decision making. Secondly, as shown above, absence of strikes does not mean the absence of conflict. Moreover, in taking an overt form, management are given warning of employee dissatisfaction, and can take remedial action. Also, knowledge that the work force can exercise this strength may encourage management to improve efficiency. In turn an increase in productivity may generate additional income, and make it easier to reconcile conflicting interests between the parties.

Strike Criterion

The following table shows, at Ravenscraig, the total number of strikes/lockouts, and provides a breakdown between production and maintenance workers.

Table 7.6

Strikes and Lock-Outs at Ravenscraig 1964-70

	1964	1965	1966	1967	1968	1969	1970	Total
Production	6	27	10	2	9	24	21	109
Maintenance	7	6	6	5	5	6	5	40
Total	13	33	16	17	14	30	26	149

source: BSC, Ravenscraig Personnel Department

Most significantly these figures reveal a high coincidence between strike behaviour and the peak years of the steel business cycle, that is, 1965 and 1969/70. As a result strikes were lowest at Ravenscraig in the recession period of 1966/67. However, for reasons associated with Ravenscraig's difficulties in penetrating the product market, output at the works grew throughout the 1960s, making a direct comparison between Ravenscraig outputs and strikes less meaningful. Nevertheless, on the assumption that the unions at Ravenscraig made wage comparisons with other strip producers whose outputs (and workers bonus earnings) rose and fell with the level of business activity, the relationship holds.(47)

Secondly, Ravenscraig would appear to be a very strike prone plant with a strike record of 1.6 weeks per strike in 1965, and 1.7 weeks per strike in 1969. Unfortunately, it was not possible to make direct comparisons with other steel works including Corby as the evidence was not available.(48) Another feature of the above table was the improvement in strike activity between the peak years 1965 and 1969/70. This improvement in strike behaviour appears to have been due to both the limited structural changes which were taking place in the industrial relations system and to the relative improvement in earnings. These explanations will be considered later in this chapter and in the next.

A further point shown by the table was that the maintenance workers seem to strike less than production workers. This applies even when allowance was made for the larger number of production workers.(49) This finding throws doubt upon the industry's accepted orthodoxy. For the ideology of the industry supports the view that production workers are highly committed to the production process whereas craftsmen with their universal skills are

not. This belief was based upon the idea that earnings, skill and status of senior production workers are specific to the industry and not transferable. Also, that production workers are more responsible, as some operate continuous plant which must sustain heat (for example, coke ovens and blastfurnaces). Hence, if these units were to go out due to strike action, the cost would be tremendous and the men might have no jobs to return to when the strike had finished. Consequently, craftsmen, who have transferable skills, do not share this responsibility and commitment, strike more frequently. What truth this belief holds, if any, might be related to strike days, that is shifts lost per man multiplied by the number of men on strike. This point will be taken up again later.

Table 7.7 considers the distribution of strikes by duration both in total and between production and maintenance workers in the period 1964-70.

Table 7.7

Strikes by Duration at Ravenscraig 1964-70

Total Strikes		One Day Strikes %		Two Day Strikes %		Three Day Strikes %		+ Three Day Strikes %	
Production	109	46	42.2	33	30.2	9	8.2	21	19.2
Maintenance	40	20	50.0	15	37.5	3	7.5	2	5.0
Total	149	66	44.2	48	32.2	12	8.0	23	15.4

source: BSC, Ravenscraig Works.

This table shows that 44.2% of all strikes in the period lasted less than one day and a further 32.2% less than two days, a total of nearly 76.4% of all strikes. This may have been indicative of protest stoppages, used by workers to draw attention to grievances which somehow were overlooked due to defective institutional arrangements. It seems remarkable that both production and maintenance workers were in this position. Also, there

seems to be a tendency for production workers' strikes to last longer than those of maintenance workers, that is, of the 23 strikes lasting more than three days, 91% were production strikes. Again, this finding contradicts the established ideology of the industry.

The issues over which strikes have taken place are given in the next table.

Table 7.8

Strikes by Cause at Ravenscraig 1964-70

	Wages		Discipline		Authority		Manning		Redundcy		Miscel	
Production	50	46%	28	26%	18	16%	2	-	1	-	10	-
Maintenance	18	45%	14	35%	8	20%	-	-	-	-	-	-
Total	68	45.6%	42	28.1%	26	17.4%	2	1.3%	1	0.6%	10	6.7%

source: BSC, Ravenscraig Works

The total figures in this table show that some 46% of strikes took place over wages, with 52% concerned with issues which management believed to be within their prerogative. The remaining 2% were attributed to manning over which production workers had the right to bargain. This table provides further evidence of workers challenging management's authority as described earlier. The individual disciplinary issue was obviously an important one and reflected partly the inadequacy of the procedural arrangements, and most certainly, the lack of consistency in the application of the unwritten works rules.

If the above was the case, then the management at Ravenscraig prior to 1967/68 were not well prepared to meet the challenge. It will be recalled that at that time management's strategy was characterised by a hard defensive attitude associated with a highly fragmented and autonomous organisation. For example, of the fourteen maintenance strikes over authority relations, eight

were related to meetings held outside the works gate at lunch time. These meetings sometimes lasted longer than the scheduled meal break, and management would refuse to allow the men to return to work for the remainder of the shift.(50) Hence, management did not see why they should help to satisfy the needs of workers and their shop stewards by making it easier for them to discuss their particular interests and problems whilst at work. In other words, there were communication difficulties on the craft union side which management would not or could not ease due to their ideology, and in this sense management forced the above action. However, this type of strike disappears from 1969 as the works personnel department's influence increased, and the facilities granted to union officials improved. This was one piece of evidence indicating that certain structural changes contributed to the small improvement in the strike record between 1965 and 1969/70.

Therefore, management's traditional attitude of keeping the unions at arms length clashed with the workers desire to have a larger say in decision making, and consequently many strikes occurred in the authority relations area.

Given the official collective bargaining and wage structures of both production and maintenance workers a larger number of production worker strikes might have been expected over wages. This expectation was not borne out as both groups had roughly 45% each. However, this fact can be explained by the increase in bargaining over ACM issues and the determination of the craftsmen to improve their position in the industry's wage league.

Yet another difference between the groups was the numbers striking whether directly or in sympathy with each other. Of the forty maintenance strikes, fifteen involved all the works craftsmen stopping together, the remainder were confined to departmental craft groups or to one union as with

disciplinary cases. Many of these departmental strikes arose over local ACM claims, and on eight occasions the Roll Shop craftsmen and assistants struck to improve their productivity bonus.(51) On the other hand, the Confederation had only one occasion when the whole membership stopped work all together. This rare event occurred in September, 1970 and resulted from a letter sent by management to strikers in the power services department. The letter informed each person that failure to return to work by a certain date would entail termination of their contract of employment.

This action arose out of a wage claim by the power services branch. Management could not meet this claim to the branch's satisfaction and the branch struck work in July, August and again in September. It was a serious dispute which reduced the supply of electricity to the works, and thereby disrupted production. Nevertheless, the branch had the right under the customary procedure agreement to pursue its claim to a satisfactory conclusion. Thus, although work groups, branches, and unions were harmed by the dispute, everyone looked on anxiously, but felt that they had no right to interfere. Faced with the third serious stoppage in a few months management decided to force a solution by threatening the dismissal of the strikers. Immediately the whole of ISTC stopped work, plus the craftsmen. This action brought the dispute to a head, national officials were involved, and the sympathy strike was over in 24 hours. Moreover, the power services branch returned to work two days later.

The interesting point about this dispute was that management, whether consciously or not, changed the issue in dispute from a wage claim to one of mass dismissal. This was unprecedented and outside the constraints of the traditional collective bargaining and trade union structures. Hence, the

other branches did not feel inhibited over their involvement on this issue as they did on the wage issue, although they suffered from the power service's strike.

This difference in behaviour was one more reason why the two groups had difficulty in understanding the actions of the other. For example, craftsmen often felt that ISTC members 'blacklegged' against one another. However, from a production worker's view point this behaviour was perfectly orthodox and there was nothing wrong with it. The reasons for these were to be found in the differences of structure and ideology between groups but primarily the former. Production workers were not only members of ISTC, but of eight branches and the union rules which safeguarded branch autonomy did not allow one branch to call sympathy action in support of another. But this was probably the least important reason, and what really mattered was the issue at stake, and the particular work groups direct interest in the outcome. The most common and important issue was wages and the work group's identity was largely shaped by the collective bargaining arrangements on this issue. Thus in a system where one branch or work group pursues its own wage claim, only they are directly concerned and if the negotiations get protracted only they will feel obliged to impose sanctions to fight for their objective.

Furthermore, the collective bargaining arrangements did not simply coincide with branch organisation, and this was reflected in the strike behaviour. As a result, members of the same branch did not support one another during strike action. For example, it would appear that promotion lines within ISTC branches constitute autonomous work groups for collective bargaining purposes which use the medium of the branch to pursue their particular interests. Thus, if, as in the open hearth shop, the pitside went on strike, the melters' members of the same branch, may or may not give their support

depending upon how they perceive their interests. If they had little direct interest a constitutional attitude was likely and a branch meeting called to discuss the strike. But in this shift working industry a branch meeting may take up to two days to organise, and by that time the dispute may be over. (73% of strikes lasted two days or less).

Thus the production workers, as opposed to the craftsmen, exhibited behaviour which was more fragmented, and usually affected only a small group of people at any one time. In other words, certain structural features which included the autonomous branch, and the fragmented collective bargaining and pay structure, helped to divide the production workers loyalties. Indeed, extra sub-structural factors such as promotion lines and shift patterns created economic interest groups who from time to time, depending upon the issue, asserted an independent line within or without the branch. Therefore, the occasion was rare indeed when Confederation branches were motivated to strike work together.

Finally, the industry's belief that the craftsmen were more strike prone than the production workers might be explained by the above difference in behaviour between the two groups. For due to their respective collective bargaining structures the typical production strike involved small numbers whereas the typical craft strike covered many more workers. Hence craft strikes were more easily reportable and noticed by the public. Also, given the voluntary nature of the reporting system, the Department of Employment was more likely to notice and check with the employer over a strike involving large numbers, and the employer knowing this was more likely to report the strike.

In conclusion then, Ravenscraig was a highly strike prone works, and

according to this strike criterion the condition of industrial relations could be said to be unhealthy, although improving. Nevertheless, it will be recalled that managements overriding objective was to increase productivity and thereby ease the financial constraints upon the company. Given this situation management had no alternative but to resist wage claims so long as tonnages remained low. This clash between trade union pressure for higher earnings and management resistance was facilitated by the latter's strong commitment to the traditional industrial relations structures, and to the absence of a positive strategy. Thus each autonomous work group pursued its interests through the fragmented collective bargaining arrangements in an effort to keep its place in the works wage league. Furthermore, a large number of strikes were not over wages at all (46%), but over discipline and authority relationships. On this issue management were not prepared for a more participative approach, again showing their lack of positive thinking.

However, although the above applied for most of the 1960s, nevertheless, as shown in Part Two, signs of a change were evident. From roughly 1967/68 onwards the works personnel department increased its influence, the department favouring a more centralised and coordinated response to trade union pressure. With regard to the production workers, changes had to be made at the informal level due to the external opposition of the Group Labour Office. The major exception was the craftsmens' ACM agreement over which the department established a new level of bargaining. But due to the ACM agreement's late arrival, in 1970, evaluation of its influence on behaviour must be left to the next chapter. The other important change to occur within management's organisation was the easier access which the appointment of a high status personnel manager gave to the shop stewards. In addition, the more participative management style adopted by senior management in the form of

the Works Council, and the facilities this offered to lay union officials helped.

This downward trend in Ravenscraig strike statistics is all the more remarkable given that the steel industry was becoming more strike prone.(52) A test of this explanation (that is, the change in management organisation) would be to assume that strikes lasting one day or less were protest strikes seeking the attention of management. Hence, if from 1968, stewards found it easier to obtain management's attention more quickly, then the number of such strikes should drop. This in fact happened for craftsmen, between 1965-67 there were eleven such craft strikes, whereas in the period 1968-70 these fell to six. The figures for production workers showed no change, however.

Productivity Criterion

In the steel industry (which is highly capital intensive) differences in labour productivity between works are dependent upon the following factors:-

- (a) The number of men employed.
- (b) The output per unit of plant.

The latter depends on the size of the unit which follows the general rule - the bigger the plant the greater are the economies of scale to be achieved. Secondly, the higher the rate at which the plant operates, the greater will be labour productivity. Ravenscraig as a new works, was initially tightly manned (see page 300), at least by British standards. Also, the middle 1960s was a period during which the steel industry was awaking to the fact that foreign steel producers by comparison, had very much lower ratios between labour inputs and steel outputs.(53)

What then were outputs like at Ravenscraig in those years?

Table 7.9
Weekly Output per Man at Ravenscraig 1965-70

Slab Mill				Slab Handling and Hot Strip Mill		
Years	Man Hours	Output	Output per Man	Man Hours	Output	Output per Man
1965	4,998	20,104	4.0 tons	8,568	12,311	1.4 tons
1966	4,998	18,627	3.7 tons	8,568	11,177	1.3 tons
1967	4,998	26,491	5.3 tons	7,266	14,740	2.0 tons
1968	4,998	26,438	5.2 tons	9,576	18,541	1.9 tons
1969	4,998	27,386	5.4 tons	8,568	17,673	2.0 tons
1970	4,998	32,800	6.5 tons	8,568	21,105	2.4 tons

Source: BSC, Ravenscraig Personnel Department

The decline in tonnages during 1966 was a reflection of an overall fall in demand for strip products. Secondly, slab mill output was greater than the hot strip mill output due partly to a loss in weight in the production process, and partly due to Ravenscraig being a big supplier of slabs to other Colville works - especially Dalzell plate mill. Thirdly, the upward trend in output could have been due to better performance in the product market after nationalisation.

The man hours column for the slab mill remained stable between 1965-70 because it was a standard manning per shift, and the shifts worked remained constant. However, the strip mill man hours rose and fell owing to the change in the number of shifts worked. Again, the labour productivity on both units of plant would appear to have improved during the period.

The above are the key statistics. How then did Ravenscraig perform in terms of the productivity criterion? This was difficult to determine precisely, in practical terms, for although there was an ideal design capacity for the equipment, it ignored environmental obstacles such as production bottlenecks, quality problems, and industrial relations difficulties.(54)

Probably the best way to test productivity performance in the period is to make comparisons with what had been achieved in more recent years. Table 7.10 provides this information.

Table 7.10

Weekly Labour Productivity, Ravenscraig April 1965 and 73

	April 1965			April 1973		
	Man Hours	Output	Output per Man	Man Hours	Output	Output per Man
Slab Mill	4,998	20,104	4.0 tons	4,998	38,651	7.7 tons
Strip Mill & Slab Handling	8,563	12,311	1.4 tons	9,576	26,894	2.8 tons

Source: BSC, Ravenscraig Personnel Department

Both these years represent peak years in the steel trade cycle and, as shown, the production workers increased their productivity in the slab mill by 92.5% and 100% in the strip mill. This achievement was remarkable and provides evidence that in the middle 1960s output per man at Ravenscraig was low. Also, it must be borne in mind that no technological changes took place in the interim although smaller piecemeal advances were made.(55)

Given the figure for 1973, it would appear that in 1970 labour productivity at Ravenscraig had still some way to go. Nevertheless, clearly by 1970, compared with 1965, labour productivity was moving in the right direction. This was a further indication that industrial relations at the works improved towards the end of the 1960s. However, given the fact that the works was tightly manned on the production workers side, the increase in productivity could only come from extra output through the mill. This larger output in turn was dependent upon Ravenscraig securing a sizeable share of strip steel orders.

On the maintenance side, it was even more difficult to determine labour productivity in this period as these workers do not have the same direct influence upon output as production workers. Moreover, statistical information for the period was not accurate and this deficiency prevents the same quantitative exercise given above being completed for production workers. Notwithstanding, the few indicators which did exist are used below to evaluate maintenance labour productivity.

The amount of overtime worked at Ravenscraig was considerable and seemed to remain much the same irrespective of output level. For example, in April 1966, average hours worked by shopmen were 49.28 and for outside men 47.20(56) giving a combined average of 48.5 hours.(57) Moreover, approximately one third were on continuous rotating shifts with less opportunity for overtime above the standard 42 hour week. When this is taken into account the outside day shift craftsmens' hours rose to 50.04.(58) These figures of 49.28 and 47.02 are the highest in the Scottish area with the exception of Gartcosh. Further, the figures compare with the Reports weighted average for twenty two works of 44.3 (shopmen) and 44.7(outside men) respectively. In addition, the situation does not seem to have improved during the remainder of the 1960s. For example, by April 1969, average hours for outside men at Ravenscraig were 50.68, although works output had gone up during the period. Most certainly, given the analysis considered previously, the craftsmen used overtime as another means of raising their earnings in the 1960s. However, in this context it was probably evidence of poor manpower utilisation amongst maintenance workers. This same point had been identified in some other industries.(59)

Another indication of the poor use of maintenance manpower at Ravenscraig was the absence of any planned maintenance system. In the steel industry

there was a traditional attitude, especially amongst rotating shift craftsmen, that their job was to work hard during a breakdown and to relax when the equipment was working well. This attitude meant a lot of time wasted if not just spent sitting around. A planned maintenance system on the other hand attempts to raise the degree of utilisation by giving the maintenance force routine jobs of a checking and preventative character. This helps to spread the work load and to reduce the numbers of men required to meet a crisis. Moreover, even if management had embraced the idea there were no work study personnel available to implement it. In fact, the first work study manager was recruited by the organisation in October, 1967.

Consideration of the strike statistics revealed little conflict over items such as job demarcation and the mobility of labour within the works. Of course, the tensions often generated by management's basic desire for efficiency and that of the work force for security, may have taken other forms. More probable was the absence of pressure at this time, by management, over these issues to secure greater labour productivity. Otherwise labour mobility and job demarcation disputes would have featured more in the strike figures.

Finally, strikes contribute to low productivity in that they disrupt output, although to simply calculate lost tonnage which employers often do for public relations purposes has often been misleading. Nevertheless, at Ravenscraig several additional losses were involved. For example, in the slab mill, which worked twenty shifts per week (the twenty first was down time for engineering maintenance), it was not easy to regain lost output by working extra shifts as in some other industries. Moreover, if strikes are frequent, they take away certain economies to be derived from longer production runs. They also upset the scheduling of different orders and make for

delays. This led to customer dissatisfaction, and was a critical problem at the works. The meeting of delivery dates and establishing a reputation for reliability was important, and one of the significant forms of competition left, given the maximum price arrangements determined by the Iron and Steel Board.

In conclusion, there was a fair amount of evidence to show that, overall, labour productivity was improving, but still could have been improved. By the end of the 1960s the scope for improvement in labour productivity amongst production workers was limited, although as the output figures for 1973 have shown productivity was still to improve markedly. On the other hand, the labour productivity of maintenance workers appeared to be unsatisfactory and in need of substantial improvement.

Earnings Criterion

The point was made above that management can ensure relative industrial peace at a works and even increase productivity (factors which indicate a healthy organisation) but, in doing so, might have paid more than was necessary and thereby added to inflationary wage increases. At Ravenscraig given the Confederation's strategy to push up earnings to a level comparable with those paid in the Welsh strip works, management were subjected to considerable pressure. Of course, they tried to resist this pressure, but certain factors made it difficult to do so. These included the great cost that a protracted strike inflicts upon a capital intensive works. Moreover, again the collective bargaining structure was of relevance to managements decisions. For, given the small size of the bargaining units, management were tempted to concede a wage claim which appeared to add little to total costs in itself. However, against this evidence of factors making for

inflationary wage increases, the bonus system favoured management. Given the average bonus element of 25% in shift earnings, a 100% increase in output would only double the bonus proportion of earnings. Thus, in a works where productivity was rising labour costs per unit of output should be falling. Table 7.11 provides information on the relationship of the production workers earnings to the rate of increase in productivity.

Table 7.11

Earnings and Productivity, Ravenscraig 1965-70 (April each Year)

Strip Mill	1965	1969	1970	Total % 1965-69	Change 1965-70	% Change 1965-69	per annum 1965-70
Average Wage	£22.73	£29.19	£32.24	28.2%	41.83%	6.9%	8.3%
Average Productivity Tons per man	1.4	2.0	2.4	42.1%	71.4%	10.5%	14.3%

Source: BSC, Ravenscraig Personnel Department

Table 7.11 again uses the peak output years of 1965 and 1969/70 and shows that the rate of rise in earnings did not outstrip the rate of rise in productivity, that is, the average productivity rise per man per annum between 1965 and 1970 was 14.3% whereas earnings rose by an average of 8.3% per annum. However, it must be remembered that production commenced from a very low base in 1965, and that earnings were already comparable with those paid at Llanwern. Therefore, it would appear that wages outstripped productivity at Ravenscraig in the period up to 1965 when the Confederation was demanding earnings equivalent to those paid in the south, but tonnages were low. Then, between 1965 and 1970, the bonus system as explained above contained the rate of rise in earnings to an amount lower than that of productivity.

The maintenance workers situation was difficult to assess due to lack

of statistical data. There was some evidence that earnings were rising rapidly in this period. The craftsmen, like the production workers, as indicated by their strike activity, were determined to obtain earnings closer to those paid in the Welsh strip works and to improve their relative position in the works wage league.(60) Evidence of this struggle was presented above by reference to ACM and overtime levels which seem to have been amongst the highest in the steel industry. Moreover, in terms of earnings drift, the craftsmens national hourly rate fell as a proportion of the actual hourly rate paid at the works (excluding overtime, tonnage bonus, and cost of living payment), that is, from 92.7% in 1965 to 84.2% in 1968.

In conclusion, this chapter has identified and analysed the major problems facing Ravenscraig works in the period 1964 to 1970. Regarding the condition of industrial relations the evidence shows that at the commencement of the period these were in a poor state. However, with the appointment of a new general manager and the subsequent changes in management organisation all three indicators (that is, strikes, productivity and earnings) show a measure of improvement. Clearly, some major problems remained such as the high strike incidence and the need to improve productivity still further. These were the main problems which faced management as the works entered the 1970s. Also, in 1969 the industry had concluded the national productivity agreement in order to tackle rather similar problems. Therefore, the next chapter on Ravenscraig continues to deal with these problems, but viewed in the light of the national productivity agreements.

Part Four, The Theoretical Interpretation

This section turns to the hypotheses developed and tested in the chapters on Corby Works. Here an attempt is made to assess their explan-

atory power by applying them to Ravenscraig. Each hypothesis will be tested in turn.

The relevant external factors influencing industrial relations behaviour within the works were identified above in Part One. These included the government decision to locate a new strip mill at Ravenscraig. Associated with this decision was the range of problems created for the Colville company in penetrating a new product market. This penetration was made particularly difficult by the surplus of strip steel capacity and the absence of price competition both of which favoured the established producers. Such difficulties in the product market created acute financial problems at the works. Also, the technological changes resulting from the government decision were significant in their impact. These changes encouraged the unions to widen their pay horizons to include the higher paying strip mills in the south. Yet another factor was the labour market and in particular the argument that Ravenscraig was forced to employ green labour. However, in this case the influence was more ideological. Finally, this was a period of incomes policy which would appear to have had a differential effect upon production and maintenance workers' behaviour. Nevertheless, the upshot of these changing external factors was to create pressure for change within the works industrial relations system. Therefore, according to the hypotheses conditions had emerged to which the parties would respond, and it is to this question the thesis turns.

The hot strip mill became operational in December 1962, but it was 1965 before a new general manager arrived at Ravenscraig, and July 1966 before the appointment of a new personnel manager. This lagged response to changed circumstances by the company is explained (in terms of the first hypothesis)

by management's commitment to the traditional structures of the industrial relations system. In other words, management tried to manage within a framework of industrial relations established at older steel works and adopted at Ravenscraig. Evidence of management's behaviour was identified above in their interactions with and through a fragmented works technology, collective bargaining and wages structure, and with the autonomous multi-union organisation. Hence, departmental and works level management had considerable authority to deal with labour issues, and central coordination was weak due to the low status accorded to the works personnel department. Moreover, the Group Labour Office itself was not adequately staffed, and the senior management had their time taken up by the employers' association. This strong commitment to ISTEA was indicative of the company's conservative policy and identification with the traditional structures of the industrial relations system.(61)

Further, the green labour argument used to explain Ravenscraig's troubles can best be understood through the hypothesis that structural factors are a major influence upon the parties behaviour. For management to argue that green labour with instrumental values, who did not understand the industry's customs, were responsible for the troubles of the works shows that management considered the structures correct. In other words, the green labour explanation was functional to those responsible for personnel policy, for it reinforced the belief that their behaviour was correct in accordance with the existing structures. Thus for management a large part of the answer to Ravenscraig's problems was the lapse of time and the conditioning of the green labour force by the traditional structures. Of course, such an explanation reflected misunderstanding as to the basic factors causing the problems. However, as time passed with no significant improvement in sight, the Colvilles board finally articulated

anew their economic interests and a management shake up took place. The new general manager and special director brought with him a different framework of analysis. However, before pursuing the changes it is necessary to consider the position of the trade unions.

In complete contrast to management the trade unions responded to the external changes by formulating a strategy to improve their economic wellbeing. As established in previous sections the Confederation's Divisional Office claimed wage increases in line with those paid in southern strip mills for comparable occupations. But the union did not find the fragmented and autonomous union and management organisations a hindrance in pursuing this objective. In fact, the existing structural factors positively facilitated the development, in the sense that the strip mill represented management's most vulnerable point. For any wider bargaining unit which included occupations employed in the other Scottish works (for example, such as in the open hearth shop) could only weaken the union's argument. Furthermore, given the fragmented and autonomous structure of the ISTC branches the Divisional Office only needed to break through the Scottish standard of earnings in the strip mill for the other branches to exert pressure by themselves to retain their position in the works wage league. This, was precisely what happened, and as a consequence the level of strike activity increased throughout other parts of the works.

Furthermore, the chain reaction over wage claims was also technologically influenced, and not just a question of branches seeking to pursue their economic interests and status. Although at Ravenscraig the units of plant were put down separately (that is, blastfurnaces, open hearth shop, slab mill, etc.) they were closely interdependent, and many of the wage

claims submitted in the later 1960s by iron works branches made direct comparisons with the higher paid groups in the steel works and mills. This was not the tradition in the industry which in previous years built iron and steel works, and often mills in different locations. Moreover, this traditional separateness was partly reflected in trade union organisation (for example, in England and Wales the NUBF organise ironworkers(62) and ISTC steelworkers), and in the collective agreements (for example, mills and steel works had separate national agreements). However, Ravenscraig was a large modern technologically integrated works, and this was increased when the basic oxygen shop came into operation in 1964, providing a speedy and continuous workflow. This change in works technology appears to have caused the work groups at the iron works end to redefine their perceptions by increasingly identifying with the total workflow rather than simply their part of it. Therefore, iron and coke workers came to question why such differentials in wage rates should exist within the same workflow.(63)

Management's reactions to such wage claims was to argue that the Ravenscraig blastfurnace and coke workers were amongst the highest paid in their respective industries. This reflected traditional thinking by which the blastfurnacemen were compared with other blastfurnacemen elsewhere and not with melters etc., within their own works. Consequently, during negotiations both parties experienced difficulty understanding the position of the other. Thus it would appear that management failed to understand the influence of changing technology upon the workers expectations owing to their commitment to the traditional structures. However, management's position can also be understood by reference to their economic interests. For it was undoubtedly in management's interests within the framework of the existing structures to ignore the arguments of the iron workers. Again, this reveals the difficulty, as at Corby, of attempting to separate out technological and economic

influences upon behaviour. Nevertheless, clearly the change in technology must be considered a major factor influencing the workers' perceptions of their economic interests. Moreover, it placed a strain upon the existing collective bargaining arrangements, and in particular helped to break up the melting shop bargaining unit with the establishment of Noll Branch.

This part of the hypothesis could be tested further by reference to maintenance workers, but probably enough has been said to illustrate the point. The second hypothesis referred to the degree of fragmentation and autonomy in the structural factors and their influence upon changes in the industrial relations system, and argues that the greater the degree of structural autonomy and fragmentation (that is, devolved power and authority) the more difficult it is for management or union leaders to exercise influence in the direction of change in the interests of their members. Conversely, although a high degree of organisational centrality can facilitate change, it also provides leaders with resources to oppose change if they perceive this as contrary to their own and their group's economic interests.

The new general manager, unlike his predecessors, was not conditioned by or strongly committed to the industry's traditional structures. Previously he had worked with the Steel Company of Wales which had left ISTEA in 1957. Amongst the independent policies pursued by the company was a productivity agreement (discussions commenced in 1964) aimed at rationalising the wage structure and at altering the collective bargaining arrangements.(64) As a result of his background, the general manager viewed Ravenscraig's problems differently, and set out to tackle the twin product market problems of quality and the meeting of delivery dates. In particular, the new manager saw clearly the relationship between disturbance within the industrial relations system and the works inability to meet delivery dates.

The new strategy aimed to achieve a measure of autonomy for Ravenscraig viz-a-viz the Colville group; and secondly to alter some of the industrial relations variables to secure greater coordination and control within the works itself. The most important changes occurred within management's organisation with the appointment of a high status personnel manager and the granting of greater influence to the works personnel department to control the activities of line and engineering management. Another significant change was the establishment of a Works Council which embraced all the unions on the site.

As predicated by the hypothesis, the strategy met with only limited success in this autonomous and fragmented industrial relations system. For it was in those areas where the works personnel department obtained greatest control that the main changes were achieved in the traditional structures. For example, between 1967 and 1969 every wage claim came to be discussed between line management and the personnel department, and gradually the latter's influence grew into a negotiating role. In this way a measure of centralised control was secured over the traditional system of management autonomy, and to that extent greater consistency was injected into the bargaining process with the branches. However, the reform was operated essentially at the informal level. There was no written policy statement on the matter which allowed some works level managers at Ravenscraig to bypass the personnel department and go straight to the Group Labour Office. For any formal policy statement specifically applied to the strip works would have necessitated a change in Colvilles overall personnel policy, and this would have been resisted by the Group Labour Office. Hence the autonomy of Ravenscraig viz-a-viz Colvilles other works was not achieved.

In fact, this was the significance of the Works Council which was a formal innovation and therefore a change in company policy as it applied to Ravenscraig. Thus, although the Ravenscraig personnel department could do nothing, even if it wanted, to change the existing collective bargaining structure, it could only innovate outside the established industrial relations structures at the official level. Therefore, the Works Council which formally established joint discussions with all the unions on certain matters can be regarded as a substitute for more radical change in the formal collective bargaining arrangements. In this way Ravenscraig management attempted to develop a works-wide consciousness in the work force which was not possible otherwise, given the fragmented collective bargaining arrangements and union organisations.

Hence, with the exception of the change in the influence of the Ravenscraig personnel department, the parties on the production workers side continued to pursue their economic interests largely within the traditional structures.

By contrast, on the maintenance workers side, there was one significant change in the formal collective bargaining arrangements and in the wage structure. This applied to the ACM payments whose negotiation had developed in an ad hoc and piecemeal fashion between local engineers and shop stewards. An ACM agreement was originally made for No 1 sinter plant, but with the introduction of No 2 sinter plant (1963) and the basic oxygen shop (1964) pressures to extend the payments increased. This resulted in the development of an informal, autonomous and fragmented bargaining system, but in this case the reform was achieved by a works-wide ACM agreement. Does the hypothesis explain success with the maintenance workers?

To examine the hypothesis requires an investigation of the relevant structural variables and how they interact with the perceived economic interests of production and maintenance workers. The craftsmen had a more centralised trade union organisation with their Joint Craft Committee and its hierarchy of shop stewards. Thus, according to the hypothesis, on this factor, the more centralised union organisation would facilitate the union leadership's influence over the membership. The evidence at Ravenscraig was that the senior craft stewards in breaking out of the divisional dirty work agreement, and in concluding a works-wide ACM agreement, managed to secure considerable influence. Moreover, from around 1966 onwards the Joint Craft Committee favoured a works-wide agreement on ACM, but at that time management resisted the suggestion. Therefore, until management could be convinced no progress was made. By contrast the production branches were highly autonomous and the union fragmented in its dealings with management. Thus no works level union organisation existed, and hence no central influence within the union on bargaining matters. Even the union's Divisional Office initiated claims and reacted to problems within the framework of fragmented collective bargaining arrangements.

The wage structure and works technology were also more uniform in their effect upon the craftsmen than upon production workers. Previously, it was established that the craftsmen had a national hourly rate and a divisional tonnage bonus, whereas the production workers time and bonus rates were negotiated within the various departments. In the technological context the craftsmen applied their universal skills to different units of plant. This was reflected in the tonnage bonus payments which were based upon the combined hot metal output of the iron and steel sections. Production workers, on the other hand, worked on plants which demanded different skills from the respective operatives, and again the pay system reflected this.

This analysis reveals that significant differences existed in the structural variables as they influence maintenance and production workers. In addition, the greater uniformity and centrality provided an opportunity for the craft union leaders to exercise an influence in the direction of change. However, according to the hypothesis whether union leaders decide to favour or resist change is dependent upon their perceived economic interests. Thus the craft union leaders objectives must be considered further.

With the growth of ACM payments at Ravenscraig the Group Labour Office responded in 1964, and commenced negotiations through ISTEAs No 1 Division with the SISTJC. The outcome was the divisional dirty work agreement of 1965 which applied at Ravenscraig. Nevertheless, the Ravenscraig craftsmen rejected the agreement and decided to seek their own settlement at the works. The Committee argued that Ravenscraig was technologically different from the other works and the working conditions were more adverse. Also, in pursuit of their members interests the Committee sought an ACM settlement which would throw payments commensurate with craft earnings in the Welsh strip works. Therefore, to achieve these ends, the Ravenscraig shop stewards challenged the traditional collective bargaining arrangements, in this case ISTEAs and the SISTJC, which were considered to be a constraint. However, this action does not explain the Committee's desire for a works-wide agreement, for the craftsmen could and did continue to lodge claims at departmental level. The reason appears to have been related to the Joint Craft Committee's status and their need to secure leadership. The continuation of autonomous and fragmented bargaining at departmental level obviously constituted a threat to the Committee. For departmental negotiations allow local shop stewards to win concessions on this important issue, and not the Joint Committee. Thus, the Committee sought a works-wide ACM agreement.

During 1966 management continued to offer Ravenscraig craftsmen in ACM negotiations the divisional dirty work agreement, but were required to settle at values above this. Hence bargaining on the issue continued at departmental level in an ad hoc and piecemeal manner. However, at this time changes were beginning to take place within management's own organisation as the works personnel department increased its influence. This trend towards standardisation and centralisation of decision making in turn brought the works personnel function to favour a works-wide ACM agreement. Against such development, however, was the Group Labour Office which remained committed to the divisional agreement. Nevertheless, by 1968 the evidence in favour of a change had become overwhelming. For the first time the evidence included figures showing the rapid rise in labour cost brought on by fragmented bargaining over the ACM issue. Armed with this information the power of the Ravenscraig personnel department increased whilst the position of the Group Labour Office weakened.

Therefore, in response to their economic interests management decided to seek a reform of the collective bargaining and wage structures. Moreover, at this point management's aims coincided with those of the Craft Committee, and the change came in 1970. Again, therefore, this second hypothesis would appear to have explained events at Ravenscraig fairly satisfactorily.(65)

Finally, the third hypothesis identified at Corby Works a causal relationship or sequence of priorities between the various factors relevant to the change process within the works industrial relations system. The first assumption is that a party which articulated a change in its economic interests will formulate a strategy and pursue those objectives. Further, if one or more of the existing industrial relations structures constrained the party in the pursuit of its aims, then, providing the party had

sufficient power, (itself structurally influenced) it would challenge and attempt to alter these structures. Thus, given the probability that the party's power will be strongest within its own organisation, change will commence there. Then, if necessary, change will occur in the collective bargaining and wage structures where the party's influence is less strong. Finally, due to reform of the collective bargaining structure changes will occur in the organisation of the other party where the initiating party's influence is weakest. Of course, the causation may not commence with a party's conscious interests (the independent variable) operating upon the structural factors (the dependent variable) as described above, but instead a party's economic interests and subsequent action may be dependent upon a change in some structural variable. For instance, at Ravenscraig the technology change caused management to readjust their organisation all be it informally, and the union to exploit the opportunity to secure higher earnings. However, given that the process of interaction can operate in both directions the remaining question to investigate is how well this third hypothesis explained events at Ravenscraig.

Management's relationships with the production workers provides an illustration of how differences within the initiating party can weaken the transmission process in the causal sequence of variables. The Colvilles' management were divided over how to react to the Ravenscraig problem. The established company personnel policy and the Group Labour Office favoured the traditional system, whereas the new managers at Ravenscraig wished to innovate. The outcome of the internal struggle which developed was little formal change in management organisation (that is, Ravenscraig remained subject to the authority of the Group Labour Office) or company policy. Thus, there was no change in the formal collective bargaining arrangements, wage structure, or union organisation. Notwithstanding this, however, there was

a limited change at the informal level within that part of management's organisation where the new general manager had greatest control. Here the works personnel department was given greater influence within Ravenscraig itself.

The above development had two consequences for the transmission sequence identified previously. Firstly, as the works personnel department took over negotiations with the unions greater coordination and control was exercised over management's response to union claims. However, the transmission of this change in management went no further, as the collective bargaining structure and union organisation remained as fragmented and autonomous as before. Secondly, the Ravenscraig management established the first Works Council within the Colvilles group of companies. This set up the first central institution at Ravenscraig which provided an avenue for discussing jointly works-wide problems. Moreover, the need for a central institution was such that the Works Council, although a consultative body, made joint decisions on certain matters. These decisions did not take the form of a collective agreement, management merely stating in the minute that an understanding had been arrived at. In this sense the Works Council was a substitute for a change in the formal collective bargaining arrangements. Nevertheless, this formal development in the area of joint consultation did have an influence upon trade union organisation. For the Works Council brought together for the first time all unions at Ravenscraig in a joint relationship with management. In addition, the Council provided lay union officials with easy access to senior management, and also facilities to meet and discuss the agenda prior to the Council meeting. Moreover, this gave a role to the Confederation's Joint Branches Committee in union/management relations which previously did not exist. This had significance in that it represented the

first sign of centralisation within the Confederation's work place organisation.

Clearly the sequence of causation did not work in the case of the production workers because management as an organisation did not formulate an official policy aimed at altering the collective bargaining and trade union organisation variables. Also there was no pressure from the opposite direction as the ISTC Divisional Office were content to pursue their objectives through the traditional structures. On the other hand, there was evidence that change within the Ravenscraig management organisation did lead to the setting up of a Works Council which in turn had some influence upon trade union organisation. In this way the sequence of priorities between the variables retained their order, but the influence was much weaker than was the case at Corby Works. However, when the Ravenscraig craftsmen are considered the situation was different, and the causation observed at Corby clearly identified.

The craftsmen at Ravenscraig responded to the external and internal changes by articulating a strategy to separate off Ravenscraig from other works in the Scottish area. Clearly, with a wage structure whose elements were negotiated at a level above the works, that is, outwith their control, this was a difficult task. In other words, the Ravenscraig craftsmen had to force management to negotiate outside of Nol Division, ISTEPA, and also had to break out of the SISTJC for this purpose. During this fight to establish this right the Craft Committee became an influential body forceably led by the AUEW convener of the Committee. Therefore, on the union side a change had taken place in the status of the Craft Committee which was exerting pressure to have the collective bargaining arrangements altered.

Furthermore, if such a change had occurred then changes would follow within the management organisation. Here departmental engineers would no longer negotiate over ACM, and the Group Labour Office through the ISTEA would have recognised the Ravenscraig managements right to do so.

In practice the Craft Committee were able to achieve only part of their strategy. They rejected the divisional dirty work agreement and resisted management's ISTEA's and SISTJC's pressure to have it implemented. Nevertheless, given the official management commitment to traditional structures the craft unions by themselves did not have sufficient power to make management negotiate at works level. Therefore, to achieve their objective of higher earnings, the unions continued to submit ACM claims at departmental level, and the fragmented bargaining system continued to develop. Thus, the pressure initiated by the Craft Committee to alter the collective bargaining arrangements and wage structure had a limited success in the face of official management opposition.

However, when the changes within management's own organisation are taken into account showing the weakening in the official opposition, then significant reform occurred. It will be recalled that the Ravenscraig personnel department came to favour a central works agreement on the issue, and the provision of statistical evidence showing the upward trend in ACM payments strengthened their hand. In other words, given the Craft Committee's determination not to accept the divisional agreement, and the need for management to control labour costs, (and achieve more stable industrial relations on the issue) the decision was made to secure a works-wide agreement. Thus the objective of management and trade unions eventually coincided on the issue. Finally, this change in management organisation which changed the collective

bargaining and wage structures also altered the craft union organisation. This latter change took the form of increasing the Craft Committee's authority over its membership by negotiating, and subsequently helping to administer the works-wide agreement.

Thus, the third hypothesis when tested against the facts of the Ravenscraig situation would appear to give a reasonable explanation of events at the works.

References

1. Colvilles produced nearly all mild and alloy steel products with the exception of tubes made by Stewart and Lloyd's at Clydesdale Works, Bellshill.
2. Report Commissioners, 1962-63 Vol xx, page 27
3. R Pryke, op cit, page 28
4. JH Goldthorpe et al, op cit.
5. See Iron and Steel Handbooks, 1963, 1964 and 1965 showing change in the membership of the Colvilles Board of Directors.
6. These figures are for 1973 and not for 1964-70. However, there was no significant technological changes affecting the skill composition of the work force in the period 1964-73.
7. By 1973, a number of employees could have been exercising their right under S5 of the 1971 Industrial Relations Act not to belong to a trade union. However, this is unlikely, and the 9% of non-unionists was probably due to the following:
 - (a) Some workers were still within the period of grace given by the post-entry closed shop.
 - (b) Divisional Office records lagged behind actual branch membership.
 - (c) High labour turnover in the labouring pools made it difficult for branch officials to keep up to date.
8. Rule 14, clause 1, British Iron and Steel and Kindred Trades Association
9. Rule 19, clause 1, op cit
10. Rule 19, clause 2, Ibid
11. JET Eldridge, Industrial Disputes, page 220, This gives an example of conflicting branch interests over redundancy.
12. Rule 4, clause 16, op cit
13. The secretary of the Joint Branches Committee 1964-66, who later became an employee relations officer.
14. Also, the ISTC national leadership responded to rank and file concern over works closures and redundancies by holding the first national delegate conference in its 56 year history in 1973. See P Bowen, op cit, page 157
15. Clegg, Killick and Adams, Trade Union Officers, show a national member/officer ratio in 1959 as follows: ISTC 5,813, AUEW (AEU) 6,345, EETPU (ETU) 4,897. The RCTUEA evidence based on 1966 data shows the AEU as 6,807, and ETU as 4,027, there were no figures for ISTC. In 1973 ISTC had a membership of 120,000 (ISTC Research Department, London) with a full-time officer force of 30 giving a ratio of 4,000. This was a significant improvement on the 1959 figure and compares well with the 1966 figures for the AEU and ETU. However, the latter two unions may have improved their ratio since 1966.

16. The letter was dated 7/3/63
17. The Industrial Court (3209) Iron and Steel Industry, 13th August, 1964
18. All branches of the craft unions were based upon geographical locations and not the works. Consequently, craftsmen belonged to various branches throughout mid-west Scotland.
19. ISTE A document Ref S/20,820 clause 2, sub section (c)
20. NJTUCI&SC booklet, Sept 1949, page 5
21. There was also an old Scottish area dirty work agreement of 1916 which was not applied at Ravenscraig.
22. For example, the power station agreement covered eighteen craftsmen out of 661 for the whole works, reflecting the size of the bargaining units on this issue.
23. Semi-informal means that, although written, management never quite granted the agreements full recognition, and believed that the less that was known publicly of them, the better. They were also regarded as temporary.
24. The information took several months to obtain and involved a laborious job of working through each engineers ACM book.
25. HA Clegg, Restrictive Practices, Socialist Commentary, December 1964
26. ISTE A and SISTJC, October 1965, Ref No S/24, 981
27. ISTE A and SISTJC Memorandum of Agreement Ref No S/20,820
28. See NJTUCISC booklet, page 12
29. Memorandum of Agreement, ISTE A and ISTC, October 1969 Ref No 9G79
30. Settlement, December 1964, ISTE A Ref No 15A4
31. Industrial Court Award No 3029, August, 1964
32. Memorandum of Agreement, ISTE A and ISTC, October 1949, clause 4
33. British Iron and Steel Federation, Labour Relations in the Steel Industry.
34. Appendix Three contains a typical works agreement
35. The reasons for shift working in the industry were given on page 123 above.
36. An example of two promotion lines are given in appendix four.
37. WEJ McCarthy, op cit. McCarthy provides a discussion of this.
38. BISF, op cit, page 4
39. BSC, Ravenscraig Works, Personnel Department

40. The melters' figures are for 1967.
 41. This seems to have been traditional. See NJTUCICS wage submission to the Industrial Court (No 2229) on behalf of craftsmen. Page 14 of the same booklet refers to low Scottish pay. Also see ISTC submission to Industrial Court Report 3029
 42. See Appendix Five showing Ravenscraig statement comparing earnings at Ravenscraig, Shotton, and Spencer Works. Note the absence of Port Talbot, SCOW which was at the top of the earnings league.
 43. Ravenscraig Noll Branch was formed on 20th May, 1964.
 44. A similar occurrence took place with the basic oxygen shop vesselman's agreement.
 45. The NCCC's dissatisfaction with the craftsmens position in the industry's wage league was recorded in Chapter Four.
 46. Confederation of British Industry, Evidence to RCTUEA, section b
 47. See Table 7.1 page 297 column 2
 48. JET Eldridge, op cit, page 197. This shows only 22 strikes for the whole of the north coast of England covering the period 1959-61. Moreover, even if strikes lasting less than one day are excluded, Ravenscraig still is very high by comparison. Eldridge's figures are based upon Department of Employment statistics and newspaper reports. Also, P Bowen, op cit, page 182 states that strikes in this region have increased since nationalisation, but not significantly relative to the regional increase for all industries.
 49. Production strike incidence 1964-70. $\frac{109 \text{ strikes} \times 100}{2258 \text{ workers}} = 4.82\%$
Maintenance strike incidence 1964-70 $\frac{40 \text{ strikes} \times 100}{1165 \text{ workers}} = 3.43\%$
- See R Hyman, Industrial Relations, A Marxist Introduction, page 114 makes this orthodox statement. Also, Eldridge, quoted in P Bowen, op cit page 182.
50. Of course, this was a lockout, but management treated it as a strike. Also, the men often would not bother to return to work knowing that they were to be shut out.
 51. The Roll Shop craftsmen and assistants were on production, not maintenance conditions, and had a separate wage structure. The assistants were in membership of ISTC.
 52. See table 2.5 Chapter Two, page 24
 53. See BISF Report on Labour Productivity and Manning in the Steel Industry, March, 1967. Also BISF Stage One Report on Developing and Coordinating Committee, July 1967.
 54. The hot strip mill was designed to produce 45,000 tons per week.

55. The most important changes were the desulphurizing unit at the blast-furnaces, thermal couplings in the basic oxygen shop, and computer control in the hot mill, all aimed at improving temperature control and the quality of the product.
56. ISTE A Report of Working Party for MEUMM, October 1966.
57. Shopmen were those employed in engineering, plate and joiner's shops. Outside men those employed in the production departments. The former constitute about 21% of the total craftsmen.
58. The number of craftsmen employed was 567. Shop men represent 119 leaving 448 outside men. Of these two thirds, that is, 298 are day men. The 50.4 hours is arrived at as follows:- $448 \times 47.02 \text{ hours} = 21,064$. Then $150 \text{ rotating shift men} \times 44 \text{ hours (assumed)} = 6,600 \text{ hours}$. If 6,600 hours is taken from 21,064 leaving 14,464 man hours, then $\frac{14,464}{298} = 50.04 \text{ hours per man}$.
59. RCTUEA Research Paper No9, Chapter 6 (c)
60. ISTE A, Working Party Report on the MEUMM. This document shows average earnings for craftsmen at Howarden Bridge, Shotton as follows: shopmen £29.12.5, and outside men £28.14.10. This compared to Ravenscraig's £25.2.3 and £25.13.5 respectively.
61. RCTUEA. para 77. This implies that employers' associations became conservative bodies, and that some companies withdrew to conclude productivity agreements in the middle 1960s.
62. Jack Owen, Ironmen
63. For instance, the top coke oven worker was paid £24.50 and the hot strip mill greaser, a junior job, £25.35 per week in April, 1965. Table 7.5 furnishes further information on wage differentials.
64. E Owen Smith, op cit, Chapter 6
65. A Fox and A Flanders, the Reform of Collective Bargaining: From Donovan to Durkheim, BJIR, July 1969, Vol VII No 2

Of course, craftsmen's behaviour over the ACM issue is a classic example of what Fox and Flanders describe as the fragmentation of larger areas of normative regulation. (page 164) However, at Ravenscraig the new normative order (that is, the works-wide ACM agreement) was neither the result of an educational strategy (Donovan para 204), nor due to the parties sharing basic underlying principles which integrate the system as Fox and Flanders imply. (page 57) The new ACM agreement was the outcome of an interaction or conflict between certain key structural variables and the parties' perceptions of their interests. The Joint Craft Committee pursued the reform of the established structures to improve their earnings and Colvilles management to constrain wage costs rising due to ACM. In addition, however, the Craft Committee and the Ravenscraig personnel department wanted to establish and maintain their status in industrial relations. At a point in time these interests coincided to make the agreement. Nevertheless, the orientations and motivations of the parties were facilitated by the established institutions in the case of the craft unions and a developing one in the case

65. Ctd./

of the personnel department. Hence the weakness, in the analysis of Goldthorpe, with its over emphasis upon attitudes and motivations of the actors as variables affecting industrial relations outcomes.

Chapter Eight

The Strategy for Change at Ravenscraig Works

including the Influence of Productivity Bargaining, 1970-74

The period 1970-74 involved significant changes in industrial relations at Ravenscraig, and this chapter attempts to analyse the transformation including the use made of productivity bargaining. Part One identifies the main problems facing the parties, considers their strategic response, and includes the productivity agreements, taking maintenance and production workers separately. Part Two evaluates the results including the contribution of productivity bargaining. Part Three attempts to test the power of the three hypotheses developed previously to explain and predict events, and to make a further refinement. Finally, this Part will also identify differences and similarities in the respective strategies for change at Ravenscraig and Corby Works.

Part One, Problems and Strategy including Productivity Bargaining

Ravenscraig's main problem was to improve its financial position and its reputation by securing a larger share of the product market and by meeting delivery dates. Nationalisation changed the sales operation from one based solely upon the commercial success of a particular company or group to a strategy which took account of the economic loading of mills throughout the Corporation. Also in this period a new group director for Ravenscraig and Gartcosh Works was appointed in early 1970, who made it plain to management and unions that Ravenscraig must secure a larger share of the Corporation's

strip orders. Given the history of low tonnages and a record of frequent strikes this objective would be difficult to achieve. Nevertheless, the director set about formulating a strategy whose central objectives were to raise output per man and thereby reduce costs per unit of output, and to improve the image of the works by reducing the strike frequency.

For senior management the strike problem was related to two main factors, poor communications and inequities in the wage structure. Therefore, the main industrial relations objectives were to improve communications between management, unions and employees, and to compress the domestic wage structure. Both aims were an attempt to achieve greater stability and win greater employee involvement in the decision making process. Management believed that if the unions and employees could identify more with Ravenscraig's problems then productivity would increase. In addition, productivity bargaining was to be used to improve labour productivity, especially amongst maintenance workers. However, as will be seen later, productivity bargaining was considered a secondary method of achieving these objectives. It is now necessary to consider the way that management attempted to fulfill its strategy.

A Works Council had been set up in 1966, and with it facilities for union officials. This was considered a major innovation in the union-management dialogue. The Council's primary purpose was to break down the degree of suspicion between the parties, and to provide an institution for union involvement in works-wide problems. However, almost every participant interviewed took the view that the aim was not realised in the period 1966-69. Moreover, by 1969 the Works Council had almost collapsed. This was partly due to the transfer (around 1968) of the general manager who had created the Council. In addition, the craft unions had created difficulties for the

Council and for a time withdrew altogether. They were clearly suspicious of management's motives and referred to it as a "tea and bun party". Hence, for the above reasons, the Works Council failed to fulfill its intentions and as an "ocean wave" which swells to a height it again fell back and petered out on the shore.

On arrival at Ravenscraig the new group director made it known that he was committed to a form of joint consultation.(1) Moreover, by this time joint consultation was Corporation policy. At Ravenscraig a two tier consultative committee structure was established. The structure consisted of three works level committees meeting bi-monthly, and a top joint Ravenscraig and Gartcosh Committee which met every alternative month. The lower committees were designed to involve middle management many of whom retained traditional authoritarian attitudes regarding management prerogatives. The Ravenscraig and Gartcosh Committee was chaired by the group director himself. Also, it was seen by the employee participants as more important than their previous Works Council. The interviewees put forward two main reasons for this. First the frankness and commitment of the new director who said when interviewed, "I tell them that it's their (shop stewards) works". Second, senior management furnished more detailed information on costs, sales, production problems and planned repairs; also on works performance which was compared with the Corporation's annual operating plan. In addition, the director involved the Joint Consultative Committee in the settlement of industrial relations problems more than the previous general manager involved the Works Council.

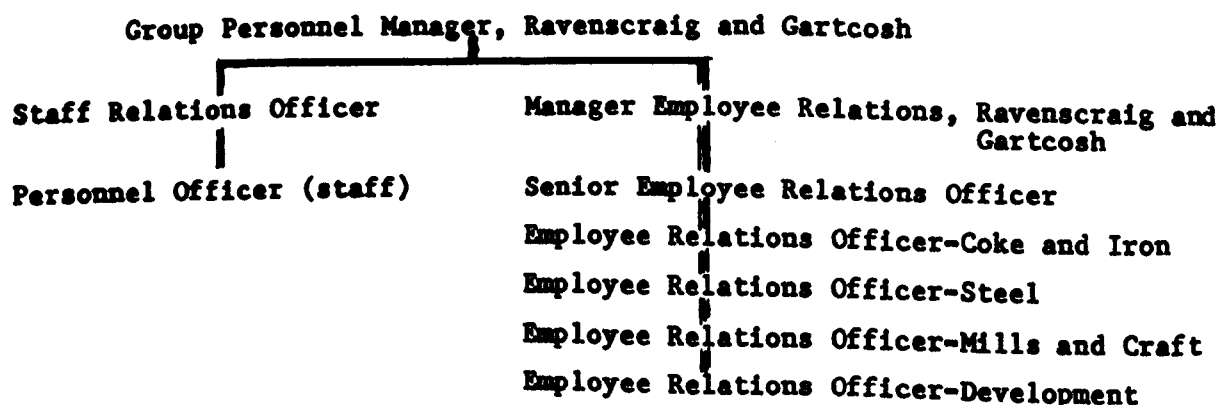
Another element in the strategy to improve communications was the commissioning in 1970 of an employee attitude survey.(2) The survey consisted of a questionnaire covering the manual work force, and was followed up with meetings between managers and their subordinates to discuss the results.

Interestingly, the survey revealed that the three categories (100 questions were merged into 13 categories) receiving the least favourable response were management 35%, pay 37% and communications 45%. Therefore, the survey reinforced the director's initial impression that communications were poor and that traditional management attitudes were an important factor affecting this. Thus, the attitude survey helped move management and the work force in the direction intended by the Joint Consultative Committee.

A third change which helped to improve communications was the establishment of the Corporation product divisions in 1970. This change had the effect of giving to the Scottish group strip division personnel manager more independence in local affairs.(3) Under the previous structure (nationalisation 1967-70) the old companies had been grouped on a regional basis, which left the Colvilles Group Labour Office intact, under a different name. Now with the product division the Ravenscraig personnel department's line of authority went straight to the strip division Headquarters at Galbfa, Cardiff. An exception to this structure were the maintenance workers and melters who had collective agreements based on the Scottish Area (that is, the old ISTEANol Division). A major outcome of the change was an increase in the number of staff employed in industrial relations at the works. The next diagram shows the employee relations function as it existed in 1973.

Diagram 8.1

Industrial Relations Department at Ravenscraig, 1973



source: BSC, Ravenscraig Personnel Department

This diagram shows the increase in the numbers employed (compared with that given in Chapter Seven, page 302) although the increase is partly accounted for by the rise in white collar unionism in the late 1960s. Notwithstanding this development, by 1972/73 Ravenscraig employed six specialists compared with three in 1966 to manage the problems of manual workers. The upshot was an increase in the influence of the personnel department and an improvement in communications. Communications improved because the employee relations officers were able to get out of the office more. In this way employee grievances were given prompt attention, whereas under the previous organisation such grievances could fester and subsequently blow up into major disputes.

Yet another channel facilitating communications between management and unions was the appointment in the late 1971 of an employee director representing Ravenscraig. The employee director scheme established with nationalisation appointed representatives of workers to participate on the regional boards (later divisional boards, then divisional committees) of the Corporation.(4) However, Ravenscraig was originally represented by an employee of Lanarkshire Works. Then, with the product division reorganisation, and the appointment of new employee directors in 1971, Ravenscraig obtained its own representative. This employee director became involved in decision making at various levels in the Corporation's hierarchy. Moreover, he was amongst the first to be appointed (by the Corporation's chairman) who did not require to relinquish trade union office.(5) The Ravenscraig employee director continued as a branch official and although he gave up the day convenership (discussed below), nevertheless remained involved with union activities at the works.

The final institutional change aimed at improving communications between

the parties was the agreement to establish three full-time day conveners, namely the chairman and secretary of the Confederation's Joint Branches Committee and the convener of the Joint Craft Committee. These lay officers were provided with private accommodation, telephone, access to typing facilities and so on. In addition, they were free to attend all branch negotiating meetings and also joint consultative and safety meetings. Further they had direct access to senior management at Ravenscraig, and for purposes of negotiations, the craft and production union conveners participated in an advisory capacity, in each others' meetings. This proposal was first raised by the Joint Craft Committee around 1966, and was rejected by the Group Labour Office. Its rejection was another reason why the Craft Committee felt that management were not serious about improving communications in the 1960s. However, by 1970, the attitude of management altered.

The most obvious benefit the change brought to management was the facility to obtain quick contact with an experienced union official when a lightning dispute occurred.(6) Moreover, with rotating shifts often no branch official was on the shift in which a strike occurred. As a result, management had to find an official from outside the plant to prevail upon employees to remain at work to allow the grievance to be dealt with by senior management. The day conveners who straddled two shifts (that is, 6am-2pm and 2-10pm) could be brought into action quickly. Another benefit was the ability of the day conveners to "open doors" in the management organisation closed to the departmental steward or branch official. For example, a dispute could arise in which the local supervisor or manager would delay making a decision for fear of establishing a precedent. However, a day convener who assessed the situation as serious could immediately obtain the attention of senior management and thereby obtain a decision.

Another benefit sought by management from the day conveners was an increase in the degree of coordination and central control over trade union activities. The previous chapter established that sectional strike behaviour was highly disruptive to Ravenscraig's integrated work flow. The power service's strikes of 1970 were recorded in some detail to illustrate the point. Therefore, it was part of management's strategy to increase the influence of the Joint Branches Committee and Joint Craft Committee by building further the domestic union hierarchy. This centralised development would inject a works-wide perspective into sectional disputes from the trade union side. In other words, the day conveners, due to their comprehensive jurisdiction, would in time develop a works-wide concern which would be built into sectional wage negotiations.

However, this centralised strategy and the form it took, met with several difficulties arising both from inside and outwith Ravenscraig. The Corporation was not unsympathetic to the Ravenscraig request to establish the position of full-time day convener, but would not give the proposal its official blessing, although it did not stand in local management's way. Consequently, the 'day convener agreement' regarding status, rights and facilities was discussed in great detail, but no formal written agreement was ever made. In fact, the Corporation's attitude seems to have been articulated in the literature where it is argued (7) that the granting of de-jure rights can make it more difficult for management to withdraw those rights under adverse conditions. Also, the Corporation may not have wished to admit the concession publicly.

On the other hand, the trade unions reaction to the day convener proposal was mixed. The Joint Craft Committee favoured the idea, but the Confederation's attitude created problems. The Confederation originally wanted each

branch to have a full-time secretary on day shift. Management were prepared to discuss the principle, but the union had to agree to a significant reduction in the number of branches. Management's proposal was discussed within the union but no agreement was reached. In fact, although Divisional Office favoured a reduction in the number of branches, branch disagreement was too great, and in particular Nos 1 and 11 would not agree to submerge their identities.(8) After failing with this policy management found that most of the branches favoured the appointment of the day conveners, but that the Divisional Office was now the problem.

Divisional Office saw the proposal as a threat to the established union organisation and to the distribution of power within the union. For a day convener interfering with the autonomy of a branch was unconstitutional. Moreover, the establishment of a lay hierarchy organisation which operated between the branches and the Divisional Office would reduce the latter's influence with the branches. As a result of management pressure, the Divisional Office eventually gave in, but insisted that the traditional union structures be upheld. This was achieved by insisting that the day conveners be established on an informal and advisory basis to assist the branches and full-time officers; and that they retain the formal roles already established, namely secretary and chairman of the Joint Branches Committee. In other words, the Confederation's traditional structures as they existed outwith Ravenscraig placed a severe limitation on the type of agreement established within it.(9)

This explanation adds to that offered in the Royal Commission's Research Paper where the argument is put forward that shop stewards prefer de-jure rights on procedural matters.(10) However, the Research Paper's explanation is based upon the assumption (contained in paragraph 48) that work

place informal arrangements do not usually conflict with the terms of the industry-wide agreements as in engineering. Clearly, in the case of the steel industry, these informal proposals to change procedural arrangements (that is, day convener involvement in branch negotiations) did conflict with the formal structures, and resulted in opposition from some branches and the Divisional Office.(11)

Notwithstanding these objections the Divisional Office did stand to derive certain benefits from the day conveners. First the day conveners would control more effectively the non-unionist problem identified in Chapter Seven.(12) Second the day conveners could and were used by the full-time officers during an industrial dispute. The Divisional Office recognised the day conveners could possess greater knowledge of a particular dispute and thereby gain the trust of the men involved.(13) Finally, the full-time conveners were an extra communication channel from the works to the Divisional Office. This was important as, on occasions, a branch imposing sanctions might wish to delay Divisional Office involvement in order to pressure management. To have the sanctions removed management often communicated with the full-time officers asking for their intervention, and this could be seen by those in dispute as union officer involvement at management's request.

The second main item in management's strategy was to tackle the instability within the industrial relations system arising from the wage structure. Management identified two aspects of the wage problem. Firstly, due to the success of the union's strategy in the 1960s, production workers were highly paid, but still producing low tonnages. Therefore, the strategy had to induce these men to produce at much higher tonnages and at the same time ensure that earnings would not increase proportionately. To obtain these

higher outputs, management placed heavy reliance upon winning the employees' commitment through improved communications and involvement in the decision making process. The strategy's success will be evaluated in Part Two of this chapter. Secondly, inequities in the wage differentials across the works were another cause of instability. Hence, workers of longer service and greater skill resented the higher pay of those with less service and less skill in other departments. This attitude had largely been responsible for the establishment of No 11 Branch in 1964, and, the power service's strikes in 1970. Furthermore, management's concern with the problem was reinforced by a rash of strikes which broke out amongst coke oven workers in 1970 and again in 1973. The coke oven branch had previously struck work on four occasions between 1964 and 1969, then in 1970 they stopped work seven times. Consequently, the strategy attempted to narrow the wage differentials across the works. This wage compression was to be achieved by containing the higher paid and being more accommodative to the lower paid work groups.

The wage strategy involved greater coordination and control at works level, but, unlike Corby, the strategy was not to be assisted by a change in the formal collective bargaining arrangements. Instead, the personnel department with its increased authority would pursue a more standardised policy. In addition, the day conveners (as argued above) would hopefully develop a works-wide perspective which would be brought to bear upon sectional wage pressures. In other words, in the absence of a formal change in the collective bargaining arrangements, management were trying to achieve the same end by informal means on the union side.

It is now necessary to consider the contribution of productivity bargaining to the strategy. Unlike Corby, Ravenscraig management did not formulate and negotiate a comprehensive productivity agreement. They either ignored or

considered irrelevant those clauses in the national agreement which hinted at the creation of an institution at works level to secure the benefits of increased productivity.(14) This attitude will be considered further in subsequent sections. Meantime, it is sufficient to note that partial productivity agreements were negotiated with the production branches. These agreements will be considered after the more important maintenance productivity agreement.

Maintenance Workers, Productivity Negotiations

Management sought a more comprehensive approach to improving maintenance labour productivity. Comprehensive meaning that greater numbers were covered (that is, 1,111 in 1971) and also in the range of issues covered. Nonetheless, the decision to use productivity bargaining was only partly of Ravenscraig management's choosing. The early chapters of the thesis explained the national background to the More Effective Use of Maintenance Manpower proposals of 1967. Given Colville's strong commitment to the employer's association, discussions were commenced in Scotland immediately after the Eastbourne Conference.(15) Colville's management decided on a two stage approach, and that the agreement would cover all their works in membership of Nol Division of ISTEA. This latter decision was thought desirable due to the close location of these works in the Motherwell area. Detailed proposals were drawn up and submitted to ISTEA's National Review Committee in September 1967 to obtain the latter's approval. This was given, and the productivity plan was submitted to the SISTJC in October 1967.

Broadly part one of the plan aimed to reduce restrictive job practices to improve internal labour mobility, to introduce a planned maintenance control system and to reduce the numbers of craftsmen and mates. Part two

aimed to introduce a financial incentive scheme based upon work measurement. In greater detail, 26 points relating to job restrictions and labour mobility were identified (16) and once implemented maintenance manpower would come down from 2,773 (May 1973) to 2,455 men. This proposed reduction is shown in the next table.

Table 8.1

Proposed Manpower Reductions, Colvilles Ltd., (Craftsmen) October, 1967
(Mates)

	Ravenscraig	Gartcosh	Dalzell	Clyde bridge	Clyde Iron	Glengarnock	Lanark shire	Clyde Alloy
	Craft Mates	C M	C M	C M	C M	C M	C M	C M
Relaxation of Job Restrictions	36 25	5 5	6 -	13 6	6 9	- -	- -	2 -
Manning Reductions	- 50	-16	2 2	12 18	- -	- -	- -	- 4
Planned Maintenance	1 -	1 -	21 20	40 12	- -	2 1	2 1	- -
Total	112	27	51	101	15	3	3	6

source: BSC, Colvilles Group Labour Office

These proposals quickly met with resistance from the trade unions and, in fact, the part one agreement was only concluded in October, 1970. The Boilermakers Society rejected outright point six of the 26 points which stated "the use of burning equipment is not the prerogative of boilermakers. All trades will use burning equipment when required to do so". The same Society had a similar objection over "tack welding". Here the Boilermakers were exhibiting behaviour noted elsewhere in the literature(17), which was related to their concern with job security. In other words, the union feared that others would take over their work and thereby reduce their status and the jobs available to their members. This problem was solved in the negotiations when management agreed to narrow down their initial proposals. The final agreement read, "Those crafts not in membership of the Boilermakers Society will only use burning equipment for such destructive maintenance operations as the burning of bolts, burning of gears from shafts, plates, sections, etc. Welders will burn and weld for plumbers".(18) Nevertheless, subject to this delay, most of the 26 points were readily accepted by the craft unions.

The organisation of the craft unions was another major cause of delay. When the productivity plan was submitted to the SISTJC, the latter's negotiating committee consisted of the full-time officials plus two shop stewards. At first the procedure was for each union to hold evening meetings of shop stewards to discuss the progress of the negotiations including the proposals to change the working rules. This was a cumbersome procedure and progress was slow. Also, it appeared to the employers that the full-time officials were not confident in being able to commit their members to the changes proposed. Consequently, the parties agreed to include in the negotiating committee a shop steward from each of the works. This, as shown in Chapter Seven (page 319), was permissible under the SISTJC powers of cooption.

However, the apparent lack of confidence of the full-time officials had to do with the nature of productivity bargaining, compared with the more traditional bargaining. On this occasion the SISTJC was involved in discussing detailed changes in the working practices of the various works, and the negotiating committee required detailed knowledge to respond more quickly to management's proposals.(19)

Another reason for delay was the breakaway by Ravenscraig and Gartcosh craftsmen from the Scottish Area negotiations in early 1970. The Joint Craft Committee's action may have been partly related to the above point, since for some considerable time they had had no direct representation upon the SISTJC negotiating committee. However, a more likely explanation was the belief held by the Ravenscraig craftsmen and mates that they could negotiate a better wage deal on their own. The Ravenscraig lay officials arrived at this decision as a result of various factors affecting their interests. The employers proposals, as they affected the mates asked Ravenscraig to contribute 46.8% of the manpower reductions, although they constituted 38.4% of the total work force. Given that the Scottish Area scheme proposed to pool the savings and to provide an equal distribution per man (that is, an equal distribution between mates and an equal distribution between craftsmen, but at two different rates so that wage differentials would be maintained) the mates felt that they stood to gain more by standing apart from the other works. Thus, the craft mates led the craftsmen out of the Scottish negotiations and not the other way around.

For their part the Ravenscraig Joint Craft Committee believed that autonomy would allow them to pursue their objective of seeking wage parity with the craftsmen in South Wales. This union strategy was reinforced by the Committee's recent history in establishing autonomy over the ACM issue. In addition, the change to product divisions brought Ravenscraig and Gartcosh

under the direct supervision of the strip division's Head Office in Cardiff. Therefore, if they could establish works level negotiations, and if a failure to agree was arrived at, the Craft Committee argued that they had the right to take the matter up with the strip division management at Cardiff. Clearly, in order to break out of the existing structures, the Joint Craft Committee required not only a view as to what best served their economic interests, but also the power to push through the change in the face of opposition and the commitment of others to the established structures.

In the struggle which ensued Ravenscraig management refused to negotiate with the Committee unless the full-time officials agreed. The pressure was also resisted by the Mid Lanark District Committee of the AUEW who proved difficult. Apparently, some District Committee members were reluctant to see Ravenscraig establish a separate agreement with the possibility of a higher bonus settlement. Notwithstanding these difficulties, the full-time officials eventually gave their consent, and the shop stewards entered into negotiations with the Scottish strip mill management. However, although successful in this respect, the Scottish full-time officials agreed to the change only on the ground that the Ravenscraig and Gartcosh craftsmen remain within the Scottish procedure agreement. In other words, the Ravenscraig Joint Craft Committee had sufficient power to establish a new bargaining unit (covering Ravenscraig and Gartcosh), but not enough power to establish a new procedural arrangement terminating in Cardiff. In the latter case the opposition from the Scottish officials was reinforced by the national union officials plus the Corporation, who combined to support the traditional arrangements.

When negotiations commenced between Ravenscraig and Gartcosh shop steward (the full-time officials did not take part) and the Scottish strip division management, the latter offered the same proposals as has been made to the

unions at Scottish level. This offer included a wage increase of 1/9d per hour. The wage offer was unacceptable to the stewards who wanted desperately to negotiate a larger wage increase. But the Scottish Area negotiations had to a large extent set the framework of any strip division agreement. Therefore, the same twenty six points on job demarcations, as indeed, the same maintenance control system were agreed. On manning reductions the initial Scottish Area proposals sought a reduction at Ravenscraig of thirty seven skilled men and seventy five mates. However, the strip division agreement achieved a reduction of fifty three mates and eighteen riggers. Interestingly, this was the first time that management had ever discussed the maintenance manpower establishment with the unions, but management were careful to retain their right to vary the manning with changes in circumstances.

The main difference between the Ravenscraig and Scottish agreements was the introduction of day rotas at Ravenscraig. The day shift men worked Monday to Friday with overtime in the evenings and on Saturday and Sunday. The introduction of day rotas gave management greater control, but did not eliminate overtime which was built into the agreement at 42.5 hours worked (the standard week was 40 hours). At Ravenscraig the workmen regarded overtime as involving an element of choice, and on this basis Saturday was a difficult day to man the plant. The day rota brought Saturday into a man's normal week. Also, under the rota 1/6 of the work force was off each day resting, and management regarded this as a reserve pool to be used in an emergency. For the day rota management agreed to pay an extra 3d per hour, bringing the strip agreement to 2/- per hour for craftsmen. Therefore, the Ravenscraig craftsmen were successful in obtaining a wage increase (£4.20p per week at 42 hours worked) in advance of that agreed at Scottish Area level. However, this differential was shortlived, for a few months later the other

Scottish works agreed to introduce the day rota and the extra 3d was paid.

The other major change brought about by the MEUMM, Part One agreement concerned procedural rules. A Works Review Panel (WRC) was set up to hear disputes arising over the application and interpretation of the agreement. The parties envisaged that a comprehensive agreement of this type would involve more disputes of right. The WRC, slotted into the procedure prior to the stage which would involve representatives of the SISTJC. The Committee consisted of five members, two managers and two shop stewards not directly involved with the dispute, and a chairman from the personnel department. The chairman had no vote. The Committee proceedings operated in the same way as the Neutral Committee, with each party presenting its verbal and documentary evidence, calling witnesses and so on. Unlike the Neutral Committee, however, the WRC whose findings were issued in writing, had no binding authority. The Committee's success or otherwise will be reviewed in the next section.

Finally, the craft union agreement for Ravenscraig and Gartcosh Works was concluded and operated from April, 1971.

The craft mates agreement on the other hand met with local difficulties and was not implemented until May, 1971. In fact, the branch officials refused to sign the agreement, and it had to be signed on their behalf by the union's divisional organiser. The crux of the problem was the differential payment of 2/- per hour to craftsmen and the 1/6d per hour proposed for the mates. Of course, the previous ACM differential had been a cause of resentment between the grades, as was also management's preference for giving priority to the craft unions when dealing with maintenance workers. On this occasion, the branch officials argued that their members were making the largest contribution through demanning.

Finally, £3.15 of the craftsmen's productivity bonus was consolidated into the hourly rate in August, 1971. The consolidation had the effect of increasing the hourly rate by 1/6d, and earnings by more due to overtime working. The craft mates' bonus was also consolidated.

The MEUMM Part Two will not be analysed in depth in this thesis. This agreement was the subject of considerable delay and, was not implemented until June, 1974. The delay was partly due to a national level disagreement over the cash settlement (discussed previously), and partly to the Pay Board. Apparently, the Pay Board insisted that the agreement had to show savings prior to payment. These delays push any genuine evaluation beyond the end of the 1964-74 period with which the thesis is concerned. Notwithstanding this, the major elements contained in the agreement will be outlined as they reveal the parties' intentions.

Phase Two was principally concerned with the introduction of work measurement and financial incentives. Unlike Phase One, the firm of PA Consultants was hired to assist with the design of the scheme, to provide expertise on planned maintenance, and to help sell the programme to the work force. One of the main aims was to establish work groups for financial incentive purposes. These groups varied from four men to much larger groups of one hundred. Hence the craftsmens bonus was to be related to much smaller teams than had ever been the case previously, but not to individual effort. Another design feature was the involvement of workers in the development of job values and in slotting individual work values into job categories. For this purpose a number of work study men and subsequently categorizers were appointed from the shop floor. Training for these personnel, plus the shop stewards, was provided by the Ravenscraig work study department. In addition, management issued a regular news sheet to all employees providing information on the scheme and its progress.

Given a considerable increase in labour productivity management proposed to reduce the manning at Ravenscraig and Gartcosh by 225 (Ravenscraig 185) skilled workers. The unions considered this figure much too high and by the end of 1973 had agreed to a reduction of 60 men. Moreover, the craft unions would not accept compulsory redundancy and insisted that the erosion of manpower take place through natural wastage. The Confederation which had accepted a reduction of 53 mates under Phase One accepted a further reduction of 148 over the two works (127 at Ravenscraig). Again the union's divisional organiser had to sign the agreement as the branch officials refused to do so. (20)

On the earnings side the Phase Two deal was to bring a considerable increase in productivity bonus. For the craftsmen this amounted to £9.15 per week with a performance level between 98 to 102, and for mates £5.76. However, these figures for craftsmen and mates have to be deflated by £3.15 and £1.26 respectively, as these monies were residual bonuses already paid under the previous schemes. (21) Thus the Phase Two increase for craftsmen was £6.00 and for mates £4.50 per week. (22)

Production Workers, Productivity Negotiations

At Ravenscraig a number of productivity agreements were negotiated with the Confederation's branches. Prior to the 1970-74 period three agreements had been concluded covering storemen, mills and the sinter plant.

The stores agreement arose out of the need to reorganise the location and administration of the stores. This initiative reduced the number of men employed in the stores from 42 to 27. In addition, storemen under the agreement were designated as classes 1, 2, and 3 with graded job responsi-

bilities. In effect, the agreement introduced a promotion ladder where none had previously existed. The agreement raised the status of the job which in turn was reinforced by an increase in wages.

The actual negotiations were conducted in two stages because the storemen were in membership of different branches. This was unhelpful for when the mills stores negotiations came round the Ravenscraig No8 Branch officials held out for wage rates in advance of those agreed by No7 Branch for the iron and steel works. Of course, this inter-branch rivalry was not uncommon at Ravenscraig.

The two other productivity agreements of the late 1960s arose out of the 40 hour week national agreement for shift workers. Chapter Four (pages 73 to 76) analysed the background to the 40 hour week agreement. The agreement involved a reduction in the standard week from 42 to 40 hours at no extra cost to the industry. Therefore, in return for the 5% increase in shift rates, the union agreed to a 5% reduction in standard manning. The negotiations covering the 5% manning reduction were to be carried out at departmental level.

At Ravenscraig local discussions were commenced with the branches. The mills agreement which covered 328 men succeeded in reducing the standard manning by only two men, but the sinter and ore handling plant agreements met with more success. A manning reduction in excess of 5% was achieved (in fact, 12½% in the sinter plant), but the branch won the right to negotiate an agreement over the savings in excess of 5%. Most of the branches claimed the increase in rates whilst refusing to concede any reduction in manning. Alternatively some branches (where it was practical

as in team working) agreed a different formula, whereby although the 42 hour week rota continued to operate each man accumulated two hours per week and took an extra day off without loss of pay each month. This depletion in the manning was not made up as the remainder of the crew performed the extra duties.(23)

Clearly, then, the national 40 hour week agreement did not pay for itself at Ravenscraig. For their part the union was not of much assistance to management in getting the agreement implemented. The Divisional Office made all the correct noises, but was unable to persuade the obstinate branches. In turn the branches argued that although over manning might apply to the industry, it did not apply to their particular units which were tightly manned. Management believed this argument and accepted the position by implementing the 5% wage increase across the works. Nevertheless, this argument must be regarded with some scepticism, as some of the branches unable to reduce manning did so later when it more clearly suited their interests.

Therefore, productivity bargaining was not a major innovation at Ravenscraig in the years prior to 1970. However, in November 1969, the Confederation signed the national productivity agreement, and it is necessary to investigate its implication for subsequent productivity bargaining.

In the years 1970-72 there were five major agreements involving Confederation branches, after which productivity bargaining petered out. Management would consider a wage settlement only within the framework of the national productivity agreement, and as shown later, this meant a de-manning of the plants concerned. Local management therefore took no

initiative in introducing productivity bargaining, and simply responded to branch wage claims within the framework of the existing collective bargaining arrangements.

The open hearth melters' concluded the first agreement in February, 1970. It was argued in the previous chapter that the melters were the traditional aristocrats of the industry whose sensitivity had increased due to the relative deterioration of their position in the wage league. The next table shows that the deterioration continued in the years immediately prior to the melters' productivity agreement.

Table 8.2

Ravenscraig Works: Earnings of Selected Top Occupations,
April 1967-69

	1967	1969	% Change
1st Hand Melter	£36.97	£39.77	7.5
Bricklayer	£24.04	£26.59	10.6
B.Fce Keeper	£31.87	£34.23	7.4
St.Pt.Operator	£27.79	£32.58	17.5
Sl.Mill Heater	£36.12	£39.50	9.3
Mill Operator	£43.32	£47.14	7.9

source: BSC, Ravenscraig Personnel Department

Except for the blastfurnace keeper all occupations improved relative to the melter in the earnings league. Moreover, the bricklayer who worked in close proximity on the furnace stage had done much better in percentage terms. The large increase in the sinter plant operator's position is explained by the productivity agreement of 1968. No doubt this latter agreement did not go unnoticed by the melters, and given the national productivity agreement they saw this as the only avenue open to them to restore their relative position. Hence the melters who refused to reduce manning under the 40 hour week agreement did so when it came to their own agreement.

The agreement reduced the manning from 54.6 to 37.8 men. Of the 17 men made redundant, 50% applied for voluntary redundancy and the remainder returned to the labouring pool to await further promotion.(24) In addition, the agreement formalised a number of duties previously performed informally, and also reallocated the 4th hand melter's and dipperman's duties as these jobs disappeared.

Increasingly management tried to persuade Nol branch to widen the coverage of the agreement to include the boxfiller (25), and pitside personnel in membership of the same branch. However, the melters refused and insisted on the savings being confined to their own occupational group. Both managers and full-time union officials when asked about this considered that the melters were just greedy. Of course, in a sense they were greedy, but given the collective bargaining arrangements and the melters' desire to improve their relative position in the works wage league this attitude was understandable. The wage structure also caused the melters to take a self centred view, for they traditionally were paid under the National Brown Book Agreement (up to 1966), whereas the pitside's wage structure was quite different. Consequently, the wage structure was an important factor distinguishing the two groups.

The melters' productivity agreement triggered off discussions with the pitside personnel and also with Noll branch in the open hearth shop. The machinemens' agreement (Noll Branch) commenced in April, 1970 and reduced the manning from 57.2 to 41.8 men. The pitside quickly followed, starting in May, 1970. The latter deal reduced the manning by 8.4 men, that is, from 37.8 to 29.4. Neither agreement resulted in direct redundancy as all the displaced men went back to the labouring pool. Both these wage claims were the direct outcome of the group's desire to maintain their position relative to the melters.

The power services branch concluded a productivity agreement in 1971, which involved demanning and some additional duties associated with the bringing in of a fifth boiler. In addition, certain changes were made to the wage structure. For those operatives working within the power station the bonus was consolidated into a time rate and a new graded wage structure established. Operatives working in the production departments, such as the waste heat boilermen, were separated off, with their bonus related directly to the production units. This particular productivity agreement was the outcome of the 1970 work stoppages (recorded in the previous chapter) and the recommendation of a Neutral Committee. Although the parties tried to comply with this recommendation they only succeeded in reducing the standard manning from 79.7 to 74.9.

Finally, the traffic branch concluded a productivity agreement in 1972, involving a reduction in manning from 122.6 to 111.5 men. Here management took the opportunity to obtain the extended use of radio telephone equipment which involved some extra duties for the men concerned. Interestingly, this agreement was the first to apply work measurement outside of the maintenance area under the national agreement.

Clearly, then, productivity bargaining at Ravenscraig, even under the national productivity agreement was on a small scale. The agreements themselves were partial and negotiated within the framework of an autonomous and fragmented collective bargaining system. Why management decided to pursue a strategy of piece-meal partial agreements, and not attempt to initiate a comprehensive programme as at Corby will be considered in a subsequent section. Even so piece-meal productivity bargaining might have been used to compress the internal works wage differentials which management believed to be a cause of instability in the industrial relations system. Whether

productivity bargaining had this effect or not will be evaluated in the next part of the chapter.

Part Two, An Evaluation of Management's Strategy including the Productivity Agreements

This section will evaluate the results of management's strategy, and also consider the contribution of productivity bargaining. The approach will be to assess initially the more general features of the strategy and then deal with the contribution of productivity bargaining. Management's strategy contained two main objectives, namely to increase output, and to achieve greater stability in industrial relations. The means by which these ends were to be achieved placed a heavy emphasis upon improved communications including employee involvement in decision making; it also involved compressing the wage structure. Therefore, productivity bargaining was given the subsidiary although important role in achieving these objectives. The evaluation which follows will make use of the three criteria developed in the previous chapters, namely indices of industrial conflict, output per man, and the rate of change in earnings. This part concludes by testing the strategy's success in compressing the wage structure.

Strike and Absenteeism Criteria

The previous section had shown that management had instituted a number of structural changes to improve communications and to increase coordination at works level. These changes included the formation of a two tier joint consultative committee system, the establishment of three full-time day conveners with improved facilities, a more democratic style of management, and an increase in the authority and manpower of the personnel department.

Therefore, the question is, how effective were these changes in securing improved stability? The next table extends the figures shown in table 7.6 (page 349) up to 1973.

Table 8.3

Numbers of Strikes or Lockouts among Production and Maintenance Workers at Ravenscraig Works, 1964-73
(excluding bricklayers and their labourers)

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	Total
Production	6	27	10	12	9	24	21	5	11	22	147
Maintenance	7	6	6	5	5	6	5	4	1	1	46
Total	13	33	16	17	14	30	26	9	12	23	193

source: BSC, Ravenscraig Personnel Department

The table establishes a clear improvement in the total strike incidence for the years 1971-73 compared with the years 1964-70 before the strategy. For example, in the period 1964-70 the annual average number of strikes was 21.2 whereas in 1971-73 these fell to 14.6 with a progressive reduction in the number of strikes for the peak years of the steel business cycle, that is, in 1965 thirty three, 1969 thirty, and 1973 twenty three strikes. Furthermore, if Ravenscraig was to be compared with the general strike trend in the iron and steel industry, then clearly the works improved its strike incidence at a time when the number of industry strikes were increasing. Such a strike comparison shows that the average stoppages per annum in the industry rose from 128.2 (1964-70) to 148 (1971-73) whilst falling at Ravenscraig.(26)

Moreover, Table 8.3 shows that the maintenance workers' strike activity improved most markedly from an average per year of 5.7 (1964-70) to 2 per year. Moreover, of the four strikes in 1971, three were called by the executives of the various craft unions in opposition to the 1971 Industrial

Relations Act. Of the three remaining strikes (for the 1971-73 period) two concerned discipline and one a safety issue. This reduction in maintenance worker strike activity can partly be explained by the introduction of the works ACM agreement in 1970. The ACM issue accounted for about 45% of all maintenance strikes between 1964 and 1970 (see Table 7.8 Chapter Seven, page 352). In addition, the parties, during interview, associated the improved strike position with other structural changes. Management felt that the day conveners had made a significant contribution, and the Joint Craft Committee emphasized the easier access to and speed of decision making which they attributed to the greater authority of the personnel department.

On the other hand, not all the branches responded positively to management's new centralised strategy as Table 8.4 shows.

Table 8.4

Number of Strikes by Production Workers at Ravenscraig, 1964-73

Departments	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	Ave Strikes 1964- 70	1971- 73
Coke Ovens	-	1	-	2	-	1	7	-	3	7	1.5	3.3
Blastfurnace	1	3	1	4	-	4	2	1	-	-	2.1	0.3
Open Hth Shop	2	5	-	2	1	3	1	-	-	1	2.0	0.3
Basic Ox Shop	4	3	2	2	1	5	2	2	2	3	2.7	2.3
S Mills/SDB	-	5	3	5	3	9	5	2	5	6	4.3	4.3
Hot Strip Mill	-	1	-	1	4	3	2	-	1	4	1.5	1.6
Hot Sheet Fin	-	7	3	-	2	2	1	2	2	2	2.1	2.0
Power Services	-	-	1	-	1	-	3	-	-	1	0.7	0.3
Traffic	-	-	1	-	-	-	2	-	-	-	0.4	0.0

source: BSC, Ravenscraig Personnel Department

The strike prone departments of the works are: the slab mill, the basic oxygen shop, hot sheet finishing and coke ovens. The only department whose strike record significantly deteriorated during the latter period was the coke ovens. Apparently the coke oven branch saw the structural changes as detri-

mental to their interests. The next table gives more evidence to show that the coke workers were falling behind other groups in the wage league.(27)

Table 8.5

Earnings for Top Occupations including average for the
Respective Bargaining Units at Ravenscraig, 1966-70

	1966	1967	1968	1969	1970	% Change
Coke Ovens Heater Ave Wage	£25.46 £22.02	£24.52 £21.95	£26.04 £23.24	£29.73 £26.36	£32.27 £29.02	25.9% 31.7%
Blastfce Keeper Ave Wage	£30.80 £25.20	£31.37 £26.79	£32.22 £27.16	£34.57 £29.21	£39.28 £34.51	27.5% 36.9%
Sinter Plt Operator Ave Wage	£26.03 £22.58	£27.79 £24.43	£29.45 £26.14	£32.58 £29.75	£35.83 £33.04	37.6% 46.3%
Open Hth 1st Melter Ave Wage	Brown Book	£36.97 £28.32	£38.63 £29.15	£39.77 £30.13	£49.37 £42.07	33.5% 48.5%
Power Srv Swit Bd Atd Ave Wage	£25.20 £21.85	£26.41 £23.00	£27.18 £23.72	£28.45 £23.71	£31.82 £27.07	26.3% 23.9%

source: BSC, Ravenscraig Personnel Department

The branch wanted autonomy to pursue its wage claims without the constraint exercised by the day conveners. Moreover, given the higher outputs of the 1970s the interdependence of the work flow was becoming more important and thereby increasing the power of the coke workers. Consequently, the branch would have nothing to do with the day conveners and refused them access to their meetings. A further indication of their increasing militancy was the election of new branch officials and their formal withdrawal from the Joint Branches Committee in 1970. Eventually, after several strikes the branch officials were dismissed from office in 1973 by the Confederation's National Executive. Following this event, the branch rejoined the Joint

Branches Committee and cooperated with the day conveners. Thus, it would appear from the strike evidence that management's strategy to bring a works-wide pressure to bear upon sectional interests through the trade union organisation met with some limited success.

Adequate labour turnover figures were not available as a measure of employee dissatisfaction. Therefore, the absenteeism figures are used as a substitute on the assumption that if the strategy improved communications and increased involvement, then employees would identify more with the strategies objectives and absenteeism would diminish. Table 8.6 provides evidence on this.

Table 8.6

Absenteeism at Ravenscraig Works, April 1969, 1971 and 1973

	1969			1971			1973		
	Hours Wk	Hours Lost	%	Hours Wk	Hours Lost	%	Hours Wk	Hours Lost	%
Production	88,712	8,304	9.3	84,526	9,500	11.2	91,826	9,139	9.9
Maintenance	54,679	4,462	8.1	52,400	3,776	7.2	52,741	3,021	5.7
Total	143,391	12,766	8.9	136,926	13,276	9.6	144,567	12,160	8.4

source: BSC, Ravenscraig Personnel Department

The table shows that a decrease occurred in total absenteeism between April 1969 and 1973; but the detailed evidence is mixed, especially amongst production workers where absence figures deteriorated in 1971 and then improved in 1973. Using the coke oven workers as an illustration, in 1969 they were a relatively low absentee group with a percentage of 7.7, compared to the average production figure of 9.3, but by 1973 they had moved nearer to the average at 9.4, compared with 9.9. Hence, the coke workers' dissatisfaction with their position in the wage league and their opposition to the

new strategy was reflected in their absentee figures as well as in their strike figures. On the other hand, the morale of the maintenance workers, as measured by absenteeism, improved continuously under the new strategy.

A reasonable conclusion is, that, in terms of conflict as measured by the indices of strike and absentee figures, the new strategy appears to have met with a measure of success. Also, the strategy experienced greater difficulties with production than with maintenance workers. This improvement was all the more remarkable given the increase in productivity achieved as shown in the next section.

Productivity Criterion

As mentioned previously, productivity improvement at Ravenscraig depended largely on obtaining extra orders from BSC, and on getting longer undisturbed production runs. The success of these objectives had a direct bearing on the climate of industrial relations, in terms both of employees producing the extra output and by stopping work less frequently. Given the strike contribution above, the next table shows the improvement in output and productivity.

Table 8.7

Weekly Output per Man Hour at Ravenscraig Works, April 1969, 1971 and 1973

Years and Grades	Man Hours	Hot Metal Output(x)	Output per Man Hour	Strip Mill Output	Output per Man Hour
Production					
1969	88,712	52,841	0.59 tonnes	17,673	0.19 tonnes
1971	84,526	48,414	0.57 "	21,212	0.25 "
1973	91,826	56,649	0.61 "	26,894	0.29 "
Maintenance					
1969	54,679	52,841	0.96 tonnes	17,673	0.31 tonnes
1971	52,400	48,414	0.92 "	21,212	0.41 "
1973	52,741	56,649	1.07 "	26,894	0.51 "
Total					
1969	143,391	52,841	0.36 tonnes	17,673	0.12 tonnes
1971	136,926	48,414	0.35 "	21,212	0.15 "
1973	144,567	56,469	0.39 "	26,894	0.18 "

source: BSC, Ravenscraig Personnel Department

(x) Hot metal output includes the production of the blastfurnaces, open hearth shop and basic oxygen shop.

The peak years of the steel business cycle, that is, 1969 and 1973, provide the most interesting comparison, although the cyclical trend is disguised at the hot strip mill owing to the strategy's success. Hot metal responded to the cyclical changes as the blastfurnaces and melting shops were utilised more fully prior to 1970. This fuller utilisation was due to imbalance in works capacity (R Pryke), and to slabs produced at the works going to Dalzell Works. Thus, the total figures show that hot metal output per man rose from 0.36 tonnes in 1969 to 0.39 tonnes in 1973, that is, by 8%. whereas strip mill output rose from 0.12 tonnes in 1969 to 0.18 tonnes in 1973, that is, by 50%. In addition, the maintenance workers appear to have made the largest contribution to the productivity improvement, namely 11%, compared with the production workers 2% on hot metal, and 64% compared with 53% in the strip mill. Clearly then, management achieved the extra orders for Ravenscraig and succeeded in improving production per man partly through the strategy described in part one of this chapter.

A further question to be considered under this criterion is the contribution made by productivity bargaining to the improvement in output per man. Here an attempt will be made to quantify the contribution made by new techniques by emphasizing manpower reductions, although other factors such as job enlargement may also have contributed.

Section one showed that five productivity agreements were concluded in the period 1970-73. These agreements involved a total manpower reduction of 56.4 men or 2,369 man hours per week (that is, 56.4×42 hours) and if it had not been for these agreements, the production workers man hours of 91,826 would have been higher by 2,369 in 1973. This argument holds in that the reductions were from standard manning levels. Consequently, although extra personnel were hired to cope with the larger outputs of 1973 (28),

these men were not used to fill the jobs which had disappeared from the standard manning.

The next table estimates the contribution of productivity bargaining to the improvement in output per man for production workers.

Table 8.8

Estimated Contribution of Productivity Agreements
to Output per Man, Ravenscraig, April 1973

Years	Man Hours	Hot Metal Output	Output per Man Hour	Strip Mill Output	Output per Man Hour
1973	Actual Man Hours including Productivity Agreements 91,826	56,649	0.61 tonnes	26,894	0.29 tonnes
1973	Man Hours excluding Manpower due to Productivity Agreements 94,195	56,649	0.59 tonnes	26,894	0.28 tonnes

source: BSC, Ravenscraig Personnel Department

Output per man would have been less without the contribution of productivity bargaining. However, the contribution of productivity bargaining can be seen to be very small, about 3% of the improvement in output per man hour. This, verifies the conclusion drawn previously that productivity bargaining for production workers was on a small scale, and a subsidiary aspect of management's overall strategy.

The maintenance agreement's contribution to improved productivity is more difficult to measure on the above lines. Management believed that the 26 points and, in particular, the labour mobility clause was beneficial. The mobility clause allowed craftsmen to be switched from their normal work places to a major break down and thereby reduce production losses. However, the 26 points by themselves could not be expected to make a major contri-

bution as many were nothing more than a codification of existing custom and practice between the various trades. The only real change concerned the boilermakers as described in Part One above.

Nevertheless, although the codification of working practices may have contributed little new, it did change the manner in which disputes were handled in procedure. Under the productivity agreement many more disputes arose over differences of interpretation and application. Consequently, the parties' used the Works Review Panel to obtain an authoritative declaration of their rights under the agreement. Previously nearly all disputes were straight conflicts of interest.

It would appear from the strike evidence that the WRC must have played some part in the marked reduction in the number of maintenance work stoppages. For instance, of maintenance worker strikes, 17.4% in the period 1964-70 concerned authority relations.(29) Of course, some of these problems were solved by the new strategy's provision of facilities for shop stewards to have easier access to management. Notwithstanding this, some disputes did concern restrictive job practices, and the refusal of craftsmen to move from one unit of plant to another within the works. From the commencement of the agreement the WRC handled thirty disputed cases until the end of the period under review. The Committee's decisions were accepted by the craftsmen on all occasions except one, when the Boilermakers' Society took an issue to the next stage in procedure. In fact, so committed were the craftsmen to the WRC that on one occasion they used it against management. In this instance management had invoked the call-out agreement (that is, called a craftsman into the works at night to affect a repair) instead of using the mobility clause, thereby transferring into the department a craftsman from another part of the works. On the other hand, the craft mates did not make

much use of the WRC and considered its operation unsatisfactory. Although, the branch officials concerned had refused to sign the agreement, they were caught up in it, and therefore made use of the WRC twice without success.

Thus, on balance, it is reasonable to conclude, that this particular change in the collective bargaining arrangements was of considerable benefit to the achievement of management's overall objectives.

The introduction of the day rotas was another aspect of the agreement which might have been expected to improve productivity. The previous chapter established that day craftsmen worked some 50 hours per week (April 1966) and that the level of overtime varied little with the state of trade. Table 8.9 shows the hours worked for the periods before and after the agreement's introduction.

Table 8.9

Ravenscraig Maintenance Workers, Average Hours Worked per Man before and after the MEUMM, Phase One

Period	Average Numbers at Work	Average Man Hours Worked	Average Hours Worked per Man
6:2:71 to 10:4:71	1,084.2	53,399.6	49.2
Productivity Agreements Introduced			
17:4:71 to 19:6:71	1,129.5	52,606	46.5
4:9:71 to 16:10:71	1,053.2	49,441	46.9

source: BSC, Ravenscraig Personnel Department

The table does not separate out day workers from continuous shift workers; hence, the figures fail to show the true reduction in overtime

worked amongst day men. Also, the period 12:6:71 to 28:8:71 has been excluded as this covers the main holiday period, and as a consequence hours worked per man were higher.(30) Nevertheless, the day rotas did reduce the average work week per man from 49.2 to 46.7 hours, although by April 1973 hours worked had again risen slightly to 47.6. Moreover, the day rota's contribution can be considered even more significant, for 1971 represented a low point in the steel business cycle, whereas 1973 was a high point.

Also, Phase One of the productivity agreement reduced the manning by 53 mates and 18 riggers. Table 8.10 attempts to quantify the contribution of the manning and overtime aspects to the improvement in maintenance output per man.

Table 8.10

Ravenscraig Phase One MEUMM, Estimated Improvement in Output per Man, April 1973

Years	Man Hours	Hot Metal Output	Output per Man Hour	Strip Mill Output	Output per Man Hour
Actual Man Hours including Productivity Bargaining					
1973	52,741	56,469	1.07 tonnes	26,892	0.51 tonnes
Man Hours excluding Manpower due to Productivity Agreements					
1973	58,162(31)	56,649	0.79 tonnes	26,894	0.46 tonnes

source: BSC, Ravenscraig Personnel Department

Again, as with production workers, the table shows that the contribution of productivity bargaining was small and constituted about 10% of the 1973 output per man. This figure represents the minimum contribution of productivity bargaining as there is no way of disentangling the agreement's contribution from the longer production runs or indeed improved communications. Therefore, although the maintenance agreement contributed more than those of the production workers to productivity improvement, nevertheless, productivity

bargaining played a much smaller role than other aspects of management's strategy. Even assuming that the problems encountered with the craft mates had not occurred, it is doubtful if the conclusion would have been any different.

Earnings Criterion

Management were faced with the problem of achieving a substantial breakthrough in productivity and at the same time attempting to ensure that earnings did not rise proportionately. The previous chapter showed that earnings were high at Ravenscraig in the middle 1960s but tonnages low, and as output rose the rate of growth in earnings was slower. However, could this be sustained in the period 1970 onwards, especially with the need to motivate workers to produce more? This problem was complicated by the fact that an element in management's new strategy was to narrow the spread of wage differentials. Such an objective would mean an extra disincentive for the more highly paid groups; although management hoped to benefit from a reduction in strikes. Again, the contribution of productivity bargaining to the narrowing of wage differentials will be investigated later.

Table 8.11 compares the rate of rise in earnings and productivity in the period 1965-69 and 1970-73.

Table 8.11

Ravenscraig Works, Comparison of Earnings and Productivity Rates, 1965-73

Strip Mill & Slab Handling	Ave.% Change p.a. 1965-69	1970	1971	1972	1973	Ave.% Change p.a. 1970-73
Average Wage	+ 6.9	£32.24	£32.23	£34.54	£43.62	+ 8.8
Average Productivity per Man Hour	+10.5	2.4 ts	2.4 ts	2.3 ts	2.8 ts	+ 4.1

source: BSC, Ravenscraig Personnel Department

At first glance the table indicates that the improvement in strike incidence and productivity was bought with inflationary wage increases. However, this conclusion ignores the fact that 1965 as a productivity base year was very low, whereas by 1970 output was much higher. Therefore, the scope to improve productivity per man was less in the 1970s and the 16% (or 4.1% pa) was a reasonable achievement. Secondly, the general wage inflation of 1971-73 distorts the earnings side of the equation if the comparison is made on a time series basis. Hence, a more realistic approach would be to compare the rate of rise in earnings at Ravenscraig with those at Corby and in the steel industry in general. In Chapter Six on Corby, Table 6.12 revealed that earnings at Ravenscraig for selected occupations rose by 26.5% in the period 1970-73 and at Corby by 43.1%. Also, Table 6.13 shows that earnings at Ravenscraig rose less fast than those for metal manufacture as a whole. Furthermore, average earnings for thirty one steel works in 1973 (32), shows Ravenscraig hot strip mill operatives to be paid above the average (that is, £43.62 compared with £40 for the Corporation) for the occupational group, but were ranked below eleven other works. Therefore, although earnings at Ravenscraig outstripped productivity in the period, nevertheless, the strategy was successful according to the earnings criterion.

It is now necessary to consider the contribution of productivity bargaining to the earnings-productivity relationship. The main question to be considered is whether the productivity agreements paid for themselves. The production workers' agreements consisted of manning reductions, and four of the five agreements did pay. The average distribution of total savings in favour of the branches was 66.5%. The one exception was the power services agreement which saved £6,850 pa, but paid out £9,285. Notwithstanding this, the five productivity agreements generated a total savings of £69,161 per

annum even allowing for the power service's deficit. Moreover, these savings were immediate and with the subsequent wage increases rose further. For example, the melters' agreement achieved an initial savings of £132.00 per week, but by February 1973 this had risen to £270 per week. Therefore, the production workers' agreements made a small contribution to improving productivity and to containing the rate of rise in wage costs per unit of output.

On the other hand, the quantitative contribution of the maintenance agreements to improving wage costs of the product are more difficult to assess. The MEUMM Phase One agreement in terms of wages cost £4,103 per week or £205,150 per year.(33) However, savings arising from the introduction of the day rotas and manpower reductions have to be off-set against this cost. This calculation proved difficult to make and required several assumptions.(34) Given these assumptions, savings amounted to £3,229 per week or £161,450 per annum providing a loss of £43,700 per year. Nevertheless, this loss must be regarded as the worst possible calculation, and given the less quantifiable aspects, the agreement possibly broke even. Furthermore, although overtime subsequently rose from an average per man of 46.7 (1971) to 47.6 (1973) this was associated with a considerable increase in maintenance productivity.

The second aspect of the new strategy concerned the compression of internal wage differentials. Previously it was argued, that management believed this to be the cause of the high strike activity in 1970 amongst the power service's and coke oven workers. The next table contains information on the earnings of top occupations within the various bargaining units.

Table 8.12

Ravenscraig Works, Occupational Earnings Analysis, April 1967-73

Occupations	Earnings 1967	<u>Actual Wage</u> Ave. Wage	Earnings 1973	<u>Actual Wage</u> Ave. Wage	% change 1967-73
Roller, Slb Mill	£43.32	1.43	£61.98	1.31	+ 43
Screw Op, Hot S Mill	£40.60	1.34	£61.38	1.30	+ 51
Vesselman, BOS	£38.25	1.26	£56.13	1.19	+ 47
Melter, OHS	£37.00	1.25	£55.16	1.17	+ 49
Heater, Slb Mill	£36.12	1.19	£52.87	1.12	+ 46
Teemer, OHS	£32.79	1.08	£48.53	1.03	+ 48
Keeper, Bltfce	£31.87	1.05	£46.13	0.98	+ 45
Operator, St Plt	£27.79	0.92	£43.55	0.92	+ 57
Operator, Ore Prep	£27.65	0.91	£39.78	0.84	+ 44
SB Attded, P Service	£26.40	0.87	£41.61	0.88	+ 58
Craftsmen	£24.60	0.81	£44.69	0.94	+ 82
Heater, C Ovens	£24.52	0.81	£41.87	0.88	+ 70
Charger, OHS	£22.86	0.75	£40.70	0.86	+ 78
Loco Drv, Traffic	£21.84	0.72	£39.53	0.83	+ 81
Craft Mate	£19.29	0.63	£34.02	0.72	+ 1.28
Average Wage	£30.32		£47.19		

source: BSC, Ravenscraig Personnel Department

Table twelve reveals a substantial narrowing of the wage structure range at Ravenscraig from 0.80 in 1967 to 0.59 by 1973. In addition, if the population is divided into two groups, consisting of those above and below the average wage in 1967, then, the average wage increase of the top group between 1967 and 1973 is 47.3% whereas that of the lower group is 71.4%. Therefore, the work groups at the lower end of the wage league table made considerable advances in the period. Moreover, this improvement appears to correlate positively with the improvement in the strike activity of the groups concerned.

The coke ovens appear to be a major exception to this earnings/strike improvement correlation. For the coke oven heater improved his earnings considerably (that is, by fifth best at 70%), and yet 1973 was a major strike year in that department. This might be explained as the exception that breaks

the general rule. More likely, however, their behaviour had more to do with the group's belief that militant action paid. Table 8.5 showed that the coke oven heater had fallen marginally behind other top occupations in the period 1966-70, but Table 8.12 showed that his position improved by 70% between 1967 and 1973. Consequently, experience prior to 1970, may have caused the coke workers to take militant action leading to the election of new branch officials and to non-cooperation with the full-time day conveners. This militancy appears to have paid off for them in that their relative wage advance came in 1970-73. In fact, the heater's wage improved by 23% between April 1972 to April 1973. Management wanted (and to some extent the full-time day conveners) to improve the coke workers position in the wage league, but not by so much that other work groups would feel left behind. Eventually, encouraged by their apparent success coke oven militancy brought the intervention of the union's Executive Council which dismissed the officials from office.

Finally, productivity bargaining would appear to have contributed to the narrowing of the wage structure. Many of the productivity deals covered those bargaining units at the bottom end of the wage league. For out of the top group in Table 12 only the melters and the teemers concluded productivity agreements. Conversely, in the lower half of the table, the craftsmen, the mates, power servicemen, traffic personnel and machinemen in the melting shops all concluded agreements.

To conclude, management's overall strategy for the period 1971-73 appears to have been successful compared with the period 1964-70. In particular the strategy as measured in terms of strikes, productivity and earnings criteria, showed a marked improvement. In addition, productivity bargaining made a contribution to the strategy's outcome, although it played a subsidiary role.

Why productivity bargaining played such a minor role at Ravenscraig compared to Corby will be considered within the general theoretical framework of the next section.

Part Three, The Hypotheses Applied to Ravenscraig, including a Comparison between Ravenscraig and Corby Works.

The most interesting question, in terms of the hypotheses, was the attempt by Ravenscraig management to implement a strategy which did not lead to a formal works-wide change in the collective bargaining arrangements as at Corby. Before pursuing this question, several important external changes which influenced the Ravenscraig parties' actions in the direction of successful change must be mentioned. These included: The Corporation's decision to administer sales from the centre, hence providing Ravenscraig with an opportunity to secure a larger share, and thereby, to produce higher outputs. Secondly, the national productivity agreement of 1969 encouraged the local parties to seek new ways to improve efficiency and stability in works industrial relations. Thirdly, the Corporation's change to product divisions allowed local management more autonomy to formulate a strategy which suited the needs of the strip works in Scotland. Fourthly, the Corporation's proposed development strategy of the early 1970s held implications for job security at Ravenscraig. Nevertheless, although these external changes removed some existing constraints and provided some new opportunities, the hypotheses hold that the parties' response to, or formulation of a strategy, can only be understood in terms of the interactions between their perceived interests, as these relate to internal structural variables. In other words, whether a change in the relevant external factors elicits a response from the parties to alter the internal structural variables or to conform to them depends partly upon their view of the circumstances and what best serves

their interests.

Surprisingly, at Ravenscraig management articulated a strategy to improve efficiency and stability in industrial relations, but did not make use of the opportunity presented by the national agreement to alter formally the collective bargaining arrangements and associated wage structure. Instead, management's strategy attempted to increase the informal influence of the personnel department and the full-time day conveners, and by formal means such as the two tier joint consultative committees, an employee attitude survey, and through the employee director. By these means management attempted to improve employee and union involvement in decision making and to enhance the degree of centralisation in work place relations. What then explains management's lack of will to alter the formal job regulation structure?

Here, three possibilities present themselves:-

- (a) Management were so committed to (and conditioned by) the existing structures that they did not see the need to alter them, or alternatively, had no power to alter them.
- (b) Management were uncommitted to (not controlled by) the existing structures but saw them as serving their interests.
- (c) Management saw the need for change in the existing domestic structures, but did not pursue the formal solution on the grounds of cost, due to the low probability of a successful outcome.

Regarding the first proposition, the evidence is that Ravenscraig management were not completely dependent upon or conditioned by the traditional structures. In the previous chapter it was shown that Ravenscraig had sought a measure of autonomy from the Group Labour Office, but that this

initiative had largely failed. Subsequently, with the establishment of the product divisions the Group Labour Office constraint was removed.(35) However, there is no evidence that management seriously intended to use this new freedom to change the traditional collective bargaining arrangements at the formal level at Ravenscraig.

The second proposition suggests that Ravenscraig management found the existing structures to serve their interests. Again, the evidence is to the contrary; for example, the absence of a centralised collective bargaining structure on the issue of the 40 hour week. This national agreement intended to be implemented at no extra cost in fact incurred extra cost due to the resistance of many branches. In addition, Ravenscraig experienced many of the problems met at Corby such as competitive wage bargaining between the branches resulting in a high strike incidence. Initially management attempted to get the Confederation to reduce the number of branches. However, again, this attempt at centralisation failed due to branch resistance and was eventually dropped.

Given the rejections of propositions one and two, it would appear that the third proposition must provide the answer to the question posed above, that is, that Ravenscraig management chose a less formal alternative because they calculated that the formal approach as used at Corby would prove too costly. The history of difficulties experienced in attempting to alter the structures of management and the Confederation had a considerable influence on this decision.

Moreover, the Ravenscraig strategy with its emphasis upon communications and employee involvement in management problems was probably more in line

with management's own ideology. It will be recalled that the group director when interviewed said, "I tell them that it is their works". This ideological statement however, may have been to promote management's control. In other words, due to the growing pressure upon management authority from the employees, the strategy was an attempt to retain control by making a show of sharing it.(36) Further, reference to the role of ideology will be made subsequently, when the discussion turns to an explicit consideration of power.

Notwithstanding the influence of ideology, management's perceptions of the difficulties and cost involved entered into their decision and is illustrated when a comparison is made with Corby Works. The most significant difference between Ravenscraig and Corby Works, as it affected the objectives of efficiency and stability, concerned the input/output equation of the two works. Corby was operated to full capacity (when product demand was available) and the main problem was to reduce input costs per unit of output. On the other hand, Ravenscraig had never operated at full capacity, therefore, the main problem was to raise production to reduce unit costs of the product. At Corby the need was to maximise internal job flexibility and labour mobility which required changes in the formal wage structure and collective bargaining arrangements.(37) However, at Ravenscraig output per worker could be increased by greater commitment to production targets and by reducing the strike incidence. Thus, at Ravenscraig, the traditional structures were not as severe a constraint as at Corby. In other words, the costs involved in the change at Corby (that is, some management and branch/union opposition) were off-set by the benefits, whereas at Ravenscraig the costs involved in achieving a formal centralised collective bargaining structure might have proved greater than the benefits. It is for the same reason that productivity bargaining as a means of change played a subsidiary role.

The other significant difference between the two works which affected the collective bargaining arrangements concerned management's own organisation. At Corby a formal comprehensive agreement was necessary to integrate the minerals, steel and tube works management structures. At Ravenscraig a formal unified management organisation had always existed, although conflict existed between the Group Labour Office and Ravenscraig over policy. This difference in management organisation encouraged Corby to adopt a formal centralised control structure, and Ravenscraig to pursue change at the informal level with the production workers, and at the formal level with the maintenance workers where the benefits were more obvious.

This idea that management calculated the costs and benefits associated with competing courses of action constitutes a refinement to the hypotheses. Nevertheless, this refinement fits within the framework of individual and group interests interacting with the key structural variables as identified.

The second hypothesis developed above argued that the greater the degree of centrality within management and work place union organisations the greater the influence of the leaders to assist or resist reform. At Ravenscraig in the period 1970-74 the craft unions were more centralised than the production branches and, given their favourable attitude, management's initiatives met with little opposition as predicted by the hypothesis. The major change affecting maintenance workers was the MEUMM agreements which altered working practices, the wage structure and the procedure for handling disputes. This agreement was part of the national developments described in Chapters Three and Four, and delays occurred in negotiations due to the national parties' disagreement over the level of monetary settlement. Nevertheless, (for reasons given in the earlier chapters) the MEUMM was seen by the craftsmen as

broadly in their interests and the deal went through without too much difficulty at Ravenscraig.

On the other hand, management's strategy, albeit informal, met with greater difficulty from the production workers. The strategy was to use the augmented and centralised personnel department and full-time day conveners to compress the wage structure. Opposition to the strategy came initially from the Confederation's Divisional Office which had used the fragmented bargaining system for the union's ends in the early 1960s; but by 1970 the resistance was due more to the implications of the proposal for the full-time day conveners and their influence upon the distribution of power within the union. These problems were solved for two reasons. First, by 1970 (for reasons to be given subsequently) the Divisional Office was as concerned as management to improve Ravenscraig's strike image. Second, the Divisional Office insisted that the day conveners must have an informal and advisory role.

However, the greatest opposition to the centralised strategy came from those branches who saw it to be a restriction upon the pursuit of their interests; in particular, the higher paid branches. Consequently, the strike records of these branches did not improve in line with the overall works improvement although neither did they deteriorate. This absence of deterioration was attributed in the interviews to the role of the full-time day conveners. Nevertheless, as explained previously, the opposition of the coke oven branch was so intense that they withdrew from the Joint Branches Committee.

It is this action by the coke oven workers which reveals a possible weakness in the Ravenscraig strategy. The weakness can be seen more clearly if a comparison is made between the recalcitrant branches at Ravenscraig and

Corby Works. At Corby a formal centralised structure was established in the form of the Production Sub-Committee (the central collective bargaining institution) and the Corby Trade Union Policy Group which used their authority to induce and pressurise successfully the deviant branches into conformity. At Ravenscraig there was no such formal central authority, and therefore the influence brought to bear on the opposition branches was weaker. Consequently, when the coke oven branch got very disruptive, the Confederation's external authority had to be used. Therefore, a strong similarity existed between the coke oven branch at Ravenscraig and the AUEW at Corby. In both cases there was no formal centralised authority at work place level to relate workers' aspirations to the desired bargaining units, and in both cases the external authority of the union was used to force an accommodation.

This conclusion that the absence of a high degree of formality and centralisation in the collective bargaining arrangements, management and union organisations at Ravenscraig represents a possible weakness, has been challenged by HA Turner, G Roberts and D Roberts.(38) Turner et al have argued that the degree of standardisation (that is, the existence of policy and procedures), formalisation (that is, written policies and procedures), expenditure on personnel specialists, and the provision of shop steward facilities are associated with an increase in the size of organisations. From their research they conclude, that the greater the degree of these characteristics and the provision of shop steward facilities the higher is the strike incidence measured by working days lost (see pages 37 and 74). This they say contradicts certain hypotheses of the Donovan Commission (pages 3 and 4) which are: that industrial relations will be improved by more effective and orderly collective bargaining at company and factory levels, by the formalisation of procedures, and by the provision of shop steward facilities.

In addition, Turner's research stands in opposition to the conclusions of this thesis regarding industrial relations at Ravenscraig and Corby Works. The one exception is with regard to the degree of formalisation which was less at Ravenscraig than at Corby. Turner argues that standardisation and formalisation implies more bureaucracy, and that this would increase rigidity and thereby the number of working days lost. Such a conclusion did not appear to be a consideration of the Ravenscraig management in formulating their strategy. As argued above, they went for informality in the collective bargaining structure of production workers because the cost of implementing a formal structure appeared greater than the benefits, and that the difference between the Corby and Ravenscraig strategies is best explained by the varied circumstances of the works. Notwithstanding this, Ravenscraig management certainly attempted to achieve more orderly and effective collective bargaining arrangements, and to this end increased the degree of centralisation and standardisation, expenditure on personnel specialists, and the provisions offered to shop stewards.

Moreover, the validity of the Turner et al methodology is questionable. Their research covered some 45 firms in various industries, and due to difficulties with the data they were forced to resort to Department of Employment statistics on strikes as the only source providing common definitions for comparison purposes. The study then proceeds to assemble statistical tabulations and correlations between different variables. Such a method (even with the best will in the world) must run the danger of selecting data which fits easily the statistical techniques. This thesis has revealed the inadequacy of the published statistics as they apply to the steel industry. For at Ravenscraig the craftsmen measured in strikes per operative were less than the production operatives, and this contradicts the published statistics.

The third hypothesis says that a priority or sequence could be identified whereby one independent variable operating upon a dependent variable could in turn change a third dependent variable. Therefore, the eventual industrial relations outcomes (such as a change in employee motivation or a reduction in strikes) was the result of this multiple sequence of interaction between the key factors. Moreover, this sequence of interaction relates to the concept of power and can be thought of as a transmission of pressure from one factor to another.(39) In the foregoing argument this had been articulated most clearly in terms of a conscious management response to some external or internal change leading to the formulation of a new strategy. Initially, the new strategy was likely to alter the works technology, then management's organisation working through collective bargaining and wage structures to a change in trade union organisation. Alternatively, the sequence of causation can be initiated by the trade union. However, the union did not have the same influence upon works technology and unless management complied, the probability of a successful outcome was much less.(40)

A significant event at Ravenscraig was the establishment of a new bargaining unit covering the strip works for the craftsmen and mates. In terms of the hypothesis the Ravenscraig Joint Craft Committee saw that their interests would be better served by breaking with the Scottish Area negotiations. The external change which brought this response was the Corporation's decision to establish product divisions, reinforced by the Committee's recent successful experience with the works ACM agreement. The Joint Craft Committee formulated a new strategy which included the aim of setting up a new procedure agreement terminating in Cardiff. However, the primary purpose was not structural change for its own sake, but the selection of a more appropriate means for direct comparisons with the higher paid Welsh craftsmen. Needless to say, the Ravenscraig management initially resisted this

development. Their reaction was not surprising given that they were a party to the Scottish Area collective bargaining arrangements, and had relationships with the union organisation as it existed outside Ravenscraig. The break in the deadlock came when the Joint Craft Committee obtained permission from the SISTJC (where its power was greatest) to negotiate an agreement outside of the Scottish Area discussions. However, although this decision established a new bargaining unit, permission was granted on the understanding that negotiations would be conducted within the framework of the Scottish procedure agreement. In other words, the craftsmen created their own bargaining unit (i.e. persuaded management to agree to a bargaining unit which suited their interests), but their initial aspirations were modified by their experience of the environmental structures. Once the internal union problem was solved management agreed to negotiate at the strip-works level. In turn the new agreement increased the autonomy of the Ravenscraig management viz-a-viz the Scottish Area negotiations. Further, the new agreement altered the industrial relations outcomes by increasing maintenance productivity and by reducing the number of maintenance strikes.

This same sequence of multi-variable interaction can be traced with the production workers. The hypothesis predicts that the new strategy will initially result in a change in management's own organisation. At Ravenscraig this happened with the 1970 increase in the authority and numbers in the personnel department. However, the strategy did not attempt the next stage, that is, to alter formally the nature of the job regulation structure. Instead, management initially tried to change directly the Confederation's organisation, by securing a reduction in the number of branches. This tactic failed due to the resistance of some branches. Nevertheless, the difference in the approaches of Ravenscraig and Corby managements provides an

opportunity to test the validity of the third hypothesis. At Ravenscraig, it would appear that management's strategy, to alter union organisation directly, failed because it attempted to by-pass an important intermediate variable in the sequence. In the absence of a formal change in the collective bargaining arrangements, management's strategy was that much less effective in bringing deviant branches into line. Therefore, at Ravenscraig the chances of a successful outcome were reduced.(41)

Nevertheless, Ravenscraig management faced similar problems to those at Corby (generated by the traditional system of collective bargaining) and therefore sought greater control. Consequently, they attempted to alter the collective bargaining arrangements at the informal level by injecting a works-wide perspective (that is, increasing the degree of standardisation and centralisation) into the bargaining arrangements through the personnel department and the day conveners.

This type of analysis would appear to be of critical importance to the industrial relations practitioner. According to KF Walker (42) a test of an industrial relations theory is its usefulness in helping practitioners to bring about or avoid certain changes. He goes on:-

"This implies that the theory indicates what are the important factors to operate on, and what effects of specific operations on these factors will be."

In terms of the hypothesis the advice offered to an initiating party is to formulate a strategy which first reorganises the limiting factors within the party's own organisation and then proceeds to operate upon the key variables in the order identified to maximise the causal effects. However, notwithstanding this advice the Ravenscraig strategy was clearly a

success and shows what can be achieved by less formal means subject to the calculation of costs involved in changing a formal collective bargaining structure.

Now consideration must be given to the concepts of power and authority and to their explicit place within the hypotheses. It was argued in Chapter Six (page 284) that power to achieve behavioural change appeared to be a function of the party initiating the change and of the intermediate variables. The period 1970-74 at Ravenscraig provides several examples of the balance of power behind the parties' conflicting ends.

In Chapter Seven it was argued that the Craft Committee favoured a works-wide ACM agreement because the continuance of fragmented bargaining constituted a threat to their leadership. Once the works-wide agreement was made the Committee were jointly responsible with management for its administration and interpretation, and their status rose accordingly. This view (in terms of power) receives support from the work of E. Batstone et al (43) who argue that, "a convener will have less trouble and hence will achieve greater power if, instead of having to argue about issues, or having to squash or amend the initiatives of others, he is able to develop a situation in which members see it as his right to decide what are the problems and how they should be handled."

Moreover, the same writers suggest (page 10) that the continued acceptance of shop floor leadership by rank and file members had to be worked for. Again, this idea helps to illuminate the Craft Committee's decision to establish a new and separate bargaining unit in the pursuit of their economic objectives. By breaking out of the Scottish Area negotiations and

concluding an agreement in advance of the Scottish settlement the Committee reinforced its authority with the membership and with management.

Secondly, management's proposals for the election of full-time day conveners had an effect upon the distribution of power within the Confederation at Ravenscraig. This caused the Divisional Office initially to resist the development and to accept it subsequently only on the basis of informal advisory status for the conveners. In effect, management were proposing to increase the centrality of the lay officials in work place organisation. This change would make the Divisional Office more dependent upon the lay officials. (44) Nevertheless, having noted these writers' contributions to the nature of power, these hypotheses argue that the placing of power on an operational basis arises out of and is influenced by the multiple interactions of the key structural variables. For example, if the Ravenscraig management's initiative on this issue had included a change at the formal level in the collective bargaining structure, then, the Glasgow Divisional Office response, as at Corby, would have been different. At Corby the formal change in the collective bargaining arrangements and in union organisation created no threat to the Divisional Office, as the full-time officials were placed at the head of the union side of the Production Sub-Committee. Hence the formal change in the structure ensured the maximum influence for the full-time officers of the union

So far, the above distinction has treated power and authority as arising out of interests (aims) and the institutional arrangements created. However, behaviour is also influenced by dominating ideas and beliefs. It was part of management's strategy to promote the idea that Ravenscraig was the employees' works and that its prosperity depended upon the degree of responsibility shown by the work force. This ideology of common interest at Ravenscraig was also used by management at Corby. Through the Corby-Wide Productivity Programme

management promoted the ideology of common interest and thereby tried to influence attitudes toward integration within the system. But the conclusion drawn from the Corby evidence was that the hostile branches and craft unions gave greater priority to their sectional interests; moreover if they had possessed the power, then this would have been used to destroy the CWPP. Therefore, the Programme was sustained and the opposition overcome (for a time) by those in authority, that is, by management and trade union leaders who favoured the agreement, operating through the power contained within the ideology and the institutional structures. Consequently, the conclusion was drawn that a social action perspective helped explain events at Corby. Nevertheless, the above hypotheses show that structural factors such as product markets and technology (emphasised by systems theorists) and management and union organisations and collective bargaining arrangements (emphasised by job regulation theorists) strongly influenced people's attitudes and behaviour at both Ravenscraig and Corby.

On the other hand, on the face of it, the idea of a basic ideology shared between management and unions appears to fit the facts at Ravenscraig for this period. After all, the strategy was an undoubted success. The rate of rise in earnings was kept below that at Corby and in general metal manufacture; moreover productivity increased and the number of strikes fell. Other more impressionistic evidence, derived from interviews, showed that union officials believed themselves to be much more involved in works problems. A sentiment expressed frequently by union officials was that they had 'grown up' in the period after 1970. Clearly, the suspicion and mistrust which had dominated the parties relationships during 1964-70 was largely overcome. Thus, there can be no doubt that in the sense of participation the trade unions' power and authority grew under the new strategy.

Given the difficulties in obtaining a high trust response, what then explains the apparent consensus and trust between the parties at Ravenscraig in this latter period? (45) The most likely explanation is that given the parties' view of the external problems, they pulled together to promote their Works interests viz-a-viz that of other works in the Corporation. In other words, certain external changes had taken place between the periods 1964-70 and 1971-74 which caused the parties interests and goals to coincide rather than to conflict. Ravenscraig, as did Corby, experienced uncertainty regarding its future development in the years 1971/72. This uncertainty was not relieved until the Corporation's declaration of its 'Ten Year Development Strategy' in February 1973.(46) The strategy gave Ravenscraig a central place in future developments. Therefore the ideology on common interest was not aimed solely at changing internal behaviour, but also at improving Ravenscraig's image in the eyes of the BSC decision makers at headquarters. (47) Consequently, the power of the ideology, as reflected in the high trust relationships between the parties, allowed the lay officials to take cognizance of the external constraints and to work for the achievement of this objective. The role of the Ravenscraig employee director played an important part in this as a member of both parties. In this sense, the strategy was seen by the Ravenscraig unions as treating their interests as ends and not as means.

Given this positive attitude and the centralisation of power achieved by the Craft Committee and the lay full-time day conveners, the union leadership took a longer run view of their members' interests. Thus they resisted or defeated wage pressure and strike activity from the opposition branches. Incidentally, this same proposition was used to explain the behaviour of the shop stewards at the Corby steel works in the context of the 1966 Magenta agreements. Similarly, on the management side, the balance of power had

altered, moving away from the more autonomous line management to the more centralised personnel department. In addition, the new group director supported this change.

Thus, the power of ideology had the effect of heightening both management and the union leaderships' awareness of Ravenscraig's internal and external problems. It therefore helped both parties to formulate a strategy of industrial relations reform aimed at improving productivity and reducing the strike incidence. In turn the parties worked through the key variables as predicted by the third hypothesis, that is, they altered initially their own internal organisations, then the collective bargaining arrangements and pay structures, and finally changed behaviour within the other party. In addition, the power of the respective leaderships' was enhanced by the increased degree of centralisation, standardisation and formality, as predicted by the second hypothesis. These institutional reforms allowed the leaders to organise and resolve differences in perceptions by individuals and the various groups to arrive at a uniform management and trade union view.(48) Hence the weakness of social action theory, that the subjective meanings attached by workers to objective events are unstable and make prediction impossible is shown by the hypotheses to be limited by the internal key structural variables, that is, the Ravenscraig collective bargaining arrangements and the institutions of job regulation.

In conclusion, the hypotheses developed in this and the chapters on Corby, plus the concept of power in both its institutional and ideological forms, go a long way towards explaining events at Ravenscraig in this period.

References.

1. A special joint management-union conference was convened at Jepherson House, Motherwell to discuss the question.
2. Conducted by Professor Stanack, University of Chicago.
3. This was the same personnel manager who arrived at Ravenscraig in 1965.
4. An account of these changes is given by K Jones, Employee Directors in the British Steel Corporation, in C Balfour, Participation in Industry.
5. This recommendation arose out of an evaluation of the employee director scheme by a university team. See P Brannen et al, The Worker Directors.
6. It will be recalled that a large proportion of strikes were of short duration reflecting a need for attention.
7. RCTUEA, Research Paper Nol pages 26-29
8. Noll Branch had established its identity after breaking away from Nol Branch in 1964.
9. See Chapter Four pages 108 and 110 for a discussion of the union's attitude at national level on this issue.
10. RCTUEA, Research Paper Nol, para 51
11. The Donovan Commission's general analysis that British industrial relations are characterised by informal, autonomous and fragmented bargaining should be modified when applied to the steel industry production unions to formal, autonomous and fragmented bargaining.
12. See Chapter Seven, page 310
13. This is the same point identified in the literature by Clegg, Killick & Adams, Trade Union Officers, and by Wilders and Parker, 'Change in Work Place Relations', BJIR 1975, only from the union instead of the management view point.
14. See Chapter Four, pages 108-110
15. See Chapters Three and Four, pages 35 and 77 respectively
16. BSC, Scottish and Northwest Group, Colvilles Ltd., MEUMM (known as the red book)
17. A Flanders, op cit, pages 123 to 133
18. On tack welding the Boilermakers allowed other tradesmen in membership of their Society to use the tools.
19. Again these facts illustrate the influence of the traditional structures upon the parties behaviour. In other words, although they perceived the need to improve labour productivity they initially thought that the change could be negotiated within the traditional arrangements.

20. In addition to the branch officials resentment over internal wage differentials, they were increasingly influenced by the industry-wide rank and file militancy over redundancies and works closures.
21. Of the craftsmens £3.15, £2.10 was the residual of the old tonnage bonus and £1.05 was the remainder of the MEUMM Phase One after the August 1971 consolidation.
22. This compares well with the £5.50 offered by BSC to the NCCC in national negotiations.
23. This practice was not new and existed when branch officials attended meetings with management.
24. The important point here is the reduction in the agreed standard manning, and although this may increase the numbers in the labouring pool, this can be regarded as temporary owing to its high level of labour turnover.
25. The boxfiller works with the melters on the furnace stage to ensure that the scrap boxes are trimmed properly for charging into the furnace. This is necessary to avoid scrap causing damage to the furnace door jambs.
26. Department of Employment Gazette, 1965-74. This is not a like for like comparison, that is, DE reportable strikes for the steel industry with strikes at Ravenscraig from management sources, but are to be regarded as indicative of the relative improvement at Ravenscraig.
27. The power services were another group to fall behind, and they were very strike prone in 1970.
28. For instance, higher outputs require more labourers to clear up increased metal spillage, and deal with locomotive derailments.
29. See Chapter Seven, Table 7.8. This figure excludes cases of individual discipline.
30. Ravenscraig had no holiday stop period.
31. 58,162 is arrived at as follows:- 71 men x 49.2 hours = 3,493 man hours, plus 49.2 - 47.6 = 1.6 hours saved per man. Therefore, 1.6 x 1,205 manning = 1,928 man hours; 3,493 + 1,928 = 5,421 man hours saved. Therefore, 52,741 + 5,421 = 58,162.
32. BSC, private document
33. This figure is based upon 1,084 maintenance personnel (see Table 8.9) which consisted of 656 craftsmen and 428 mates. Therefore, 656 x £4.20 bonus at 42 hours = £2,755, and 428 x £3.15 = £1,348. The sum of the two is £4,103.
34. It was assumed that the average hourly rates prior to the agreement were £0.61 and £0.46 for craftsmen and mates respectively based upon 49.2 hours worked and 56 hours paid. Therefore, the 2.5 hours per man saved by the introduction of day rotas amounted to £1.25 and £1.15 respectively. Thus, 656 craftsmen x £1.52 = £997.1 and 428 mates x £1.15 = £492.2, or summed £1,489. The reduction of 53 mates and 18 riggers saved £1,739, furnishing a total of £3,229.

35. As previously explained the Colvilles Group Labour Office disappeared with nationalisation, but the same personnel remained in charge of the Scottish Area of the Scottish and North West Group up to 1970.
36. H Ramsay, Participation: The Shop Floor View, BJIR XIV No2 July, 1976, page 137
37. NBPI, Report on Payment by Results, HMSO 1968. Fragmented PBR and bonus schemes mitigate against labour mobility.
38. HA Turner, G Roberts and D Roberts, Management Characteristics and Labour Conflict. These authors also include the degree of centralisation in the management structure, but find no statistical correlation between the size of establishment and the various levels of centralisation.
39. A graphic expression of this transmission process was given in Chapter Six, page 282
40. Examples of successful union initiatives given in the text which were first resisted by management were the Corby steel works craftsmens' productivity initiative of 1965, and the Ravenscraig craftsmens' ACM initiative of 1966.
41. J Eldridge, op cit, pages 220-221. Eldridge discussing a redundancy at Consett Works in the early 1960s provides evidence of the weakness of the Joint Consultative Committee and the ISTC Joint Branches Committee in implementing a works-wide policy on redundancy amongst deviant branches and the NUBF.
42. KF Walker, Towards Useful Theorising About Industrial Relations, BJIR, Dec. 1970, page 309.
43. E Batstone et al, Shop Stewards in Action, page 12. The authors distinguish three aspects of power: (a) makers of decisions (b) who identifies and shapes the issues (c) who plays the major role in creating and maintaining the larger ideology and perspective.
44. DJ Hickson et al, "A strategic Contingency Theory of Intra-Organisational Power", Administrative Science Quarterly. These writers use the categories of centrality, substitutability and dependence when discussing power.
45. A Fox, Man Mismanagement, page 99. Fox has argued that 'there can be institutionalised trust or distrust which is embodied in social arrangements, decisions and policies which men seek to impose on each other'. Here Fox is postulating that organisations which allow employees to participate obtain a high trust response from employees, whereas those which deny participation elicit a low trust response.
46. Cmd 5526, BSC: Ten Year Development Strategy
47. A similar strategy was pursued by management and workers at Govan Shipbuilders in July 1979, when they agreed to work their summer holidays to meet delivery dates on the Polish order. One month later British Shipbuilders announced their rationalisation plan which included the closure of certain shipyards.

48. Walton and McKersie, op cit, Chapters 7 and 8. This process could be identified with the authors intra-organisational bargaining and attitudinal structuring.

Chapter Nine

Summary and Conclusions

The purpose of this chapter is to briefly summarise the main conclusions and to pull together the hypotheses. The study traces industrial relations reform in the British steel industry in the period 1964-74, and the use made of productivity bargaining.

Chapter Two identifies the main factors underlying the industry's poor performance in this period, namely increasing international competition, foreign technological advance, increasing trade union militancy, and government intervention to keep prices down. Taken together these factors caused low productivity, rising industrial unrest and a disastrous decline in the industry's profits.

Chapter Three investigates the response to this situation by examining the employers' strategy aimed at improving productivity and promoting stability. The strategy proposed the negotiation of two productivity agreements, one for maintenance workers (1967), and subsequently one covering all manual workers (1969). Productivity bargaining was seen at that time by management as a technique offering very significant advantages and seemed an appropriate tactic for pursuing reform in a unionised industry. The new BSC also sought reform of the industry's fragmented collective bargaining structure, but failed to secure an NJIC, and had only limited success in winning the agreement of the Trades Union Steel Industry Consultative Committee to new bargaining arrangements.

Chapter Four deals with the productivity agreements that were concluded. The Corporation was unable to extend as far as planned its prerogatives over the use of work measurement and manning; also it failed to achieve the degree of joint union coordination hoped for at national and local levels. However, it did achieve the first multi-union national agreement on Income and Employment Security. Since the success or otherwise of the agreements can only be judged at local level, Chapters Five to Eight deal with the reform of industrial relations at Corby and Ravenscraig Works.

Chapter Five describes Corby's traditional system 1964-70 and traces the origins of productivity bargaining. A most interesting question was why the steel works craftsmen responded positively, whereas the tube craftsmen resisted. The evidence revealed the existence of several differences between the two works. First, the industry's rationalisation strategy (to divert new investment away from inland locations) posed a greater threat to the steel works. Second, the attitude of the steel union leadership was favourable and that of the tubes not. Third, the more centralised union hierarchy and standardised collective bargaining arrangements allowed the steel union leaders to exercise influence in the direction of reform. Fourth, separate management organisations allowed divergent policies to be pursued at both works. Nevertheless, after a good start the effectiveness of the steel works agreement deteriorated and the tube works agreement collapsed. Hence by 1969/70 there was a need for a new initiative to reform industrial relations and this question is taken up in the next Chapter.

Chapter Six deals with the comprehensive Corby-Wide Productivity Programme introduced in 1970 and abandoned early in 1975. Although introduced under the national agreements it met with considerable opposition. Two important questions are asked in this Chapter:-

- (i) How was the opposition overcome?
- (ii) What explains the programme's collapse?

The opposition branches and craft unions were induced and partly coerced into accepting the CWPP. Management and lay union officials supporting it maintained a tough attitude, and this associated with the new institutional arrangements, plus support from national officials, overcame the opposition. The programme's collapse was due to adverse external circumstances in 1974 combining with internal opposition. The opposition groups coerced into the programme obtained greater influence and were able to undermine both management and union commitment to it. Hence the CWPP operated successfully only in 1973.

The study then turns to the Ravenscraig system and the causes of poor industrial relations in the period 1964-70. It concludes that Ravenscraig's strip mill technology allowed the unions to make wage comparisons with the higher paid groups in the south. As a result, Ravenscraig experienced further fragmentation of its collective bargaining arrangements which encouraged higher earnings, low productivity, and a large number of strikes. Management responded to these problems with a more uniform personnel policy operated through a more powerful Personnel Department, but this development was severely limited by the Group Labour Office. Therefore, with the exception of the maintenance Abnormal Condition Money agreement, no other significant reform took place.

Reform at Ravenscraig and its achievement are taken up in Chapter Eight, which begins with a description of management's strategy to involve the unions more in Ravenscraig's problems and to compress the domestic wage structure in which wide differentials were a major source of instability.

The creation of BSC's strip division and the arrival of a new group director gave Ravenscraig greater autonomy to pursue its own policy. To this end the influence of the Personnel Department was further increased, and the office of full-time day conveners created. For maintenance workers, an important productivity agreement was concluded providing marked benefits. However, the most interesting question was the lack of an attempt by management to formally alter the production workers collective bargaining structure. In contrast to Corby, Ravenscraig's problem was the need to raise output per man in a situation where capacity had never been fully utilised. Therefore, to formally centralise the collective bargaining arrangements might have increased resistance and thereby the number of strikes. Consequently, management relied heavily upon centralisation in their own and in the unions organisation, and upon informal coordination in collective bargaining. This strategy successfully compressed the domestic wage structure and helped reduce strike activity.

In addition to the above conclusions, it was felt necessary to develop three hypotheses to explain within a systematic framework the process of industrial relations change at both works by refining job regulation theory (and to a lesser extent systems theory) as applied to factory level reform. Collective bargaining arrangements are emphasised as a key variable in the process. The first and second hypotheses are developed in Chapter Five, to explain and predict the reaction and interaction of management and employee groups to changes in their awareness of their interests as they either react to a structural change or attempt to introduce a new one. The second hypothesis refines the first by adding greater precision to its predictions. The third hypothesis is not developed until Chapter Six, but it is more comprehensive and incorporates the other two by establishing the sequence or priority of interaction between the variables. Thus, the hypotheses are

sequential and are to be regarded as an integrated whole. All three hypotheses are tested again in Chapters Seven and Eight where similarities and differences with other work are again noted.

The hypotheses can incorporate productivity bargaining because they are concerned with the problems of changing established industrial relations structures. Indeed, at Corby where the change in the collective bargaining arrangements was formal, productivity bargaining was used with some success. However, at Ravenscraig where the collective bargaining arrangements of production workers were not formally altered, formal productivity bargaining was not used. Nevertheless, the reform strategy was a success, and the predictions of the hypotheses were shown to be valid.

The hypotheses are now stated and followed by two brief supporting examples to illustrate the theoretical conclusions of the thesis.

Hypothesis 1 A change in one dimension of a collective bargaining structure can have sufficient power to alter behaviour in the direction desired; and equally a change in a party's awareness that its interests could be better served can lead to an alteration in a structural factor considered an obstacle to achieving its objective (or the creation of a new structural factor).

Hypothesis 2 The more centralised, standardised and formal the characteristics of the key structural variables (that is, collective bargaining arrangements, management and union organisations) the greater the power available to the respective leaderships to secure reform. Equally leaders can use these structural variables to resist reform if perceived as detrimental to their own or their members interests. Conversely, if the key structural variables are informal and fragmented allowing power to be

devolved to fairly autonomous work groups, unions or managers, then a proposed reform will meet with greater resistance.

Hypothesis 3 Once a party's strategy has been formulated the probability of success will be increased if a specified sequence of variable interaction is adhered to. For management the sequence runs from awareness, to changing the works technology, to management organisation, to the collective bargaining arrangements and finally to an alteration in union organisation and behaviour. For the union the transmission mechanism is weaker and runs from awareness, through union organisation, to the collective bargaining arrangements, and to changes in management organisation and behaviour.

The first illustration deals with the second hypothesis and is taken from Chapter Eight. It highlights the conclusion that a high degree of centralisation, standardisation and formality in the key structural variables can put power into the hands of leaders. At Ravenscraig the centralised Personnel Department increased formality and standardisation in policy while the day conveners increased the production and craft workers' awareness of BSC's rationalisation plan and the implications for redundancy. Thus, both senior management and union leaders used the key structural factors to resolve differences between the various interest groups and thereby to facilitate reform. Another example is given in Chapter Five where the Corby steel works convener was able to achieve a similar change. On the other hand, examples are given from both Corby and Ravenscraig confirming the prediction of the hypotheses that where the key variables are informal and fragmented, and where power is devolved the leader's position is much weaker. This is seen in Chapter Five in discussing the Corby tube craftsmen and in Chapter Eight in examining the Coke Oven Branch at Ravenscraig.

The third hypothesis and the conclusions that follow from it is illustrated by reference to Chapter Six. Corby management initiated the CWPP against the background of the Corporation's rationalisation strategy. Improvement in Corby's productivity required greater integration of the work flow and changes in management's own organisation. In turn the strategy required new collective bargaining institutions and the setting up of a Trade Union Policy Group. Chapter Eight provides an example of the transmission process operating the opposite way. Here the Ravenscraig Joint Craft Committee initiated a strategy, established a new bargaining unit, and changed the role of management.

Finally, the hypotheses attempt to synthesize the more formal systems and job regulation theories with the subjective social action perspective. Chapters Five to Eight note the reactions of different groups to external changes and show the differences in their attitudes as being organised and controlled by the degree of centrality, standardisation and formality in the institutions of job regulation and their collective bargaining arrangements.

Appendix One

Calculations of the Corby-Wide Productivity Programme, Materials Usage Efficiency.

Stage One

Total Output 1,457 tonnes Product x 729 tonnes, Product y 728 tonnes
 Standard Input 1,720 tonnes Product x 810 tonnes, Product y 910 tonnes
 Actual Input 1,830 tonnes

Datum Actual Yield $\frac{1,475 \times 100}{1,830}$ 79.5%

Datum Standard Yield $\frac{1,475 \times 100}{1,720}$ 84.5%

Datum MUE $\frac{79.5\% \times 100}{84.5\%}$ 94%

Stage TwoMonthly MUE

Total Output 968 tonnes Product x 216 tonnes Product y 752 tonnes
 Standard Input 1,180 tonnes Product x 240 tonnes Product y 940 tonnes
 Actual Input 1,220 tonnes

Monthly Actual Yield $\frac{986 \times 100}{1,220}$ 79.4%

Monthly Standard Yield $\frac{986 \times 100}{1,180}$ 82%

Monthly MUE $\frac{79.4\% \times 100}{82\%}$ 96.9%

Stage Three

Actual Input $\frac{1220 \text{ tonnes} \times 96.9\%}{94\% \text{ Datum MUE}}$ 1,259 MUE

Therefore, 1,259 - 1,220 tonnes = 39 tonnes of material saved that month.

Appendix Two

Calculations of the Corby-Wide Productivity Programme, Stoppages

$$\frac{\text{Stoppage Hours in Datum Period} \times 100}{\text{Actual Manned Hours in Datum Period}} \quad \text{Datum Stoppage Percentage}$$

Monthly Stoppage Allowance

$$\frac{\text{Actual Manned Hours} \times \text{Datum Stoppage Percentage}}{100}$$

Monthly Stoppage Allowance - Actual Hours Stopped = Hours Saved or Lost
Per Month.

Appendix Three.

MEMORANDUM OF AGREEMENT made on the TWENTY SECOND DAY of JUNE,
NINETEEN HUNDRED and SIXTY SEVEN between MESSRS. COLVILLIES LTD.,
RAVENSCRAIG STEELWORKS, MOTHERWELL and REPRESENTATIVES OF THE MAINTENANCE
CRAFTSMEN employed at POWER SERVICES DEPARTMENT, RAVENSCRAIG WORKS.

WHEREAS a claim was submitted by representatives of the Maintenance Craftsmen for a revision of the existing abnormal condition money payments made to Craftsmen for maintenance work carried out at the Power Station and for the inclusion of additional Plant areas and WHEREAS the Employers took cognisance of the prevailing Plant conditions and WHEREAS at a meeting held on 22nd June, 1967 agreement was reached.

IT IS NOW AGREED AS FOLLOWS:-

1. That the following items, namely, Inside Boiler Drums, Economiser Bends and Superheater Header Chamber (all paid within 24 hours of Boiler coming off pressure) as specified in the agreement made on 24th April, 1959, shall be and are hereby cancelled.
2. That the abnormal condition money allowance of ninepence (9d.) nett per hour shall be paid to craftsmen working on jobs inside and outside boilers above the Boiler Panel Floor level in the Power Station. This allowance shall be subject to a minimum payment of four hours per occasion (maximum of two occasions) in any one working day.
3. This agreement shall take effect on and from 6.00 a.m. Sunday, 4th June, 1967.
4. Clause 3 however, shall be subject to the provisions of the Government's Prices and Incomes Policy.

FOR AND ON BEHALF OF THE EMPLOYERS

FOR AND ON BEHALF OF THE UNION

MEMORANDUM OF AGREEMENT made on the THIRTIETH DAY OF OCTOBER, NINETEEN HUNDRED and SIXTY NINE between THE BRITISH STEEL CORPORATION, COLVILLES DIVISION, RAVENSCRAIG STEEL WORKS, MOTHERWELL and the IRON AND STEEL TRADES CONFEDERATION, (RAVENSCRAIG NO.1 BRANCH) on behalf of MELTERS employed at RAVENSCRAIG STEELWORKS

WHEREAS the Employers and the Confederation undertook discussions to increase productivity and efficiency on the part of the Melters employed in the Open Hearth Shop and WHEREAS various discussions took place to determine the change in manning and methods of work and WHEREAS finally at a meeting held on the 30th October, 1969, agreement was reached.

IT IS NOW AGREED AS FOLLOWS:-

1. The undernoted occupations, manning, consolidated datal and tonnage bonus rates shall be and are hereby cancelled.

<u>Occupation</u>	<u>Manning per Shift 3 Furnaces</u>	<u>Datal Rates</u>	<u>Consolidated Rates</u>			
			<u>T/B Rates d. per ton</u>			
			<u>Hot Metal</u>		<u>Cold Metal</u>	
			<u>Up to 4,000T</u>	<u>Over 4,000T</u>	<u>Up to 2,400T</u>	<u>Over 2,400T</u>
1st Hand Melter	3	67/1.52	3.157	4.28	4.312	6.573
2nd Hand Melter	3	57/7.90	1.828	2.946	2.389	4.523
3rd Hand Melter	3	52/10.19	1.172	2.279	1.437	3.499
4th Hand Melter	3	48/2.28	.593	1.612	.618	2.475
			<u>Hot Metal</u>		<u>Cold Metal</u>	
Dipperman	1	37/4.34	.341		.445	

2. The revised occupations, manning, consolidated datal and tonnage bonus rates of each Furnace crew shall be as set out hereunder.

<u>Occupation</u>	<u>Manning per Shift 3 Furnaces</u>	<u>Datal Rates</u>	<u>Consolidated Rates</u>			
			<u>T/B Rates d. per ton</u>			
			<u>Hot Metal</u>		<u>Cold Metal</u>	
			<u>Up to 4,000T</u>	<u>Over 4,000T</u>	<u>Up to 2,400T</u>	<u>Over 2,400T</u>
1st Hand Melter	3	82/4.92	3.559	4.825	4.858	7.405
2nd Hand Melter	3	72/11.30	2.230	3.594	2.935	5.557
3rd Hand Melter	3	68/1.59	1.574	3.060	1.983	4.828

3. The existing tonnage bonus conditions and calculations in respect of Hot Metal working up to and including 4,000 tons per week and in excess of 4,000 tons per week and Cold Metal working up to and including 2,400 tons per week and in excess of 2,400 tons per week are hereby continued and confirmed and paid for at the appropriate tonnage bonus rate of each occupation shown in Clause 2.
4. Whereas all former duties associated with Open Hearth Furnaces shall continue to be performed by the revised complement it is clearly understood that the following specified duties are now held to be part of the overall job content to be undertaken by the revised manning i.e. Community Fettling; Addition of Alloys to Ladles; Re-railing of charging bogies on Furnace stage; Stacking of Aluminium; Using magnet for clearing floor; The taking of Temperature Dips and use of dipping equipment.
5. This agreement has under the terms of current Government legislation been referred to the Department of Employment and Productivity and whereas following scrutiny clearance has been obtained the agreement shall be implemented from 6.00 a.m. Sunday, 8th February, 1970 and shall thereafter continue in force for a trial period of 6 months when the agreement shall then be subject to review by both parties.
6. The rates referred to in Clause 1 and Clause 2 shall be subject to the increase awarded under the National Agreement dated 27th November, 1969.

7. Except as amended or cancelled by this Agreement all conditions under existing agreements or arrangement shall be continued.

FOR AND ON BEHALF OF
THE BRITISH STEEL CORPORATION

FOR AND ON BEHALF OF
THE CONFEDERATION

BRITISH STEEL CORPORATION
STRIP MILLS DIVISION
SCOTTISH GROUP
RAVENSCRAIG WORKS

SLAB YARD

Appendix Four

Slab Provider
 4.1738 .002388

Stock Controller
 4.1738 .002388

Asst. Slab Provider
 3.8729 .02100

Slab Identifier
 3.8729 .001980

Charger
 3.7828 .001971

Straddle Car (Days)
 3.7698 .002017

Slinger 'A'
 3.6929 .001971

Tong Slinger (N)
 3.6929 .001971

Slinger 'B'
 3.6929 .001971

Tong Slinger (C)
 3.6929 .001971

Utility Man
 3.6929 .001971

Tong Slinger (S)
 3.6929 .001971

Semi-portal Slinger
 3.6929 .001971

Appendix Five

Colvilles Ltd. - Ravenscraig Works

Statement No.5

Comparison of selected occupation in the Hot Strip Mills at
Shotton, Spencer and Ravenscraig Works.

Occupation placing	Shotton		Spencer		Ravenscraig	
	Gross shift earnings based on 1671 T per shift.		Gross shift earnings paid on 1331 T per shift		Gross shift earnings based on 749 T per shift.	
Top	<u>Operator</u>		<u>Finishing Rollerman</u>		<u>Screw Operator</u>	
	Gross Time Rate	2. 9. 9.	Gross Time Rate	4.11. 0.	Gross Time Rate	4. 1. 1.
	Gross T.B. at 1671 T	4. 1. 1.	Gross T.B. 20%	0.18. 2.	Gross T.B. at 749 T	1. 9.10.
	C.O.L.	<u>0.12. 3.</u>	C.O.L.	<u>0.12. 3.</u>	C.O.L.	<u>0.12. 3.</u>
		<u>£7. 3. 1.</u>		<u>£6. 1. 5.</u>		<u>£6. 3. 2.</u>
	<u>Heater</u>		<u>Heater</u>		<u>Heater</u>	
	Gross Time Rate	2. 1. 4	Gross Time Rate	4. 4. 0.	Gross Time Rate	3.11. 9.
	Gross T.B. at 1671 T	3. 6. 8.	Gross T.B. at 20%	0.16.10.	Gross T.B. at 749 T	1.10.11.
	C.O.L.	<u>0.12. 3.</u>	C.O.L.	<u>0.12. 3.</u>	C.O.L.	<u>0.12. 3.</u>
		<u>£6. 0. 3.</u>		<u>£5.13. 1.</u>		<u>£5.14.11.</u>
Middle	<u>Coiler Operator</u>		<u>Coiler Operator</u>		<u>Coiler Operator</u>	
	Gross Time Rate	1.12. 9.	Gross Time Rate	3.11. 9.	Gross Time Rate	2.19.11.
	Gross T.B. at 1671 T	2. 6. 3.	Gross T.B. at 20%	0.14. 4.	Gross T.B. at 749 T	1. 8. 1.
	C.O.L.	<u>0.12. 3.</u>	C.O.L.	<u>0.12. 3.</u>	C.O.L.	<u>0.12. 3.</u>
		<u>£4.11. 3.</u>		<u>£4.18. 4.</u>		<u>£5. 0. 3.</u>
Bottom	<u>Coiler Bander</u>		<u>Coiler Bander</u>		<u>Coiler Bander</u>	
	Gross Time Rate	1. 8. 2.	Gross Time Rate	2.10. 9.	Gross Time Rate	1.19. 6.
	Gross T.B. at 1671 T	1.13. 0.	Gross T.B. at 20%	0.10. 2.	Gross T.B. at 749 T	0.15. 4.
	C.O.L.	<u>0.12. 3.</u>	C.O.L.	<u>0.12. 3.</u>	C.O.L.	<u>0.12. 3.</u>
		<u>£3.13. 5.</u>		<u>£3.13. 2.</u>		<u>£3. 7. 1.</u>

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