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Golden Promises, Empty Realities?
Trust, Commitment and Control in the Workplace

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A Thesis
In
The Department of
Sociology and Anthropology

Presented in Partial Fulfillment of the Requirements
For the Degree of Master of Arts At
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ABSTRACT

Golden Promises, Empty Realities?
Trust, Commitment and Control in the Workplace

Richard C. Duranceau

This thesis examines the issues of trust, commitment and control in the workplace. More specifically, the thesis examines the role of employee involvement programs as managerial strategies to gain the trust and commitment of labour. An examination of selected managerial texts suggests that employee involvement programs benefit management and labour. Management benefits from higher productivity, improved product quality and greater profitability. Labour gains a more humane workplace, greater job autonomy, and higher job satisfaction. It has been asserted that employee involvement programs can lead to a more harmonious relationship between management and labour. This study was based upon previously published secondary data as well as interview data from managers and workers in 16 telecommunications plants. It was found that claims of the proponents of employee involvement programs have been overstated. The empirical evidence suggests the relationship between employee involvement and productivity is mixed. For labour, it appears that some workers benefit from employee involvement programs but many other workers do not. Many workers complain about work intensification, increased stress and disenchantment with managerial promises about more worker autonomy and a more humane workplace. It is concluded that there remain a number of issues that may hinder a genuine cooperative relationship between management and labour.
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DEDICATION

I dedicate this thesis to the memory of Joseph Henri Charles Duranceau (1937-1985). You would have been proud.
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Introduction

The efficient deployment of labour has been a major concern among managers in market economies since the Industrial Revolution. But workers have also sought what they regard as just returns for their efforts in producing good and services. The inherent conflict between these two objectives has evolved into a history of both conflict and modifications in the organization and treatment of labour. In a very fundamental way, the relationship between management and labour rests upon at least some element of trust: that workers will carry out what they are paid to do and that management will not fail to reward workers for what they have done.

In the past twenty years or so, senior managers in North America have sought not only greater efficiencies in shop-floor production, but also in administration itself. The earlier principles of separating planning and administration from execution have been seen as inefficient when these principles are applied to production processes that use advanced multi-purpose technology. There has thus been a move toward reintegrating administration with production; of reversing the trend toward reducing tasks to their simplest essentials to re-integrating them into a larger complex of task and administration. But the ways in which this was done have been highly diverse and with mixed results.

This thesis presents a description of current new major models of labour deployment that involve labour, in varying degrees, in the administration of their own tasks. It then evaluates these models by searching for evidence regarding their effectiveness in (1) enhancing organizational effectiveness, (2) providing more satisfying work for workers, and (3) reducing conflict between labour and management. The idea that at least some degree of trust is necessary in ongoing labour-management relations provides the central organizing theme of this thesis.
Chapter 1 begins with a brief historical overview of management strategies in the deployment and control of labour. This is followed by a review of the literature on the issue of trust in organizations and the ways in which management-biased analysts and commentators make use of this concept in pursuing their own ends.

Chapter 2 outlines the current most popular models designed to increase the involvement of production workers in administering their tasks. It will be seen in this section, that greater worker involvement requires less supervision from managerial ranks but raises the level of trust that management must demonstrate toward workers. In this section, I also point out that these required levels of trust are difficult to sustain in midst of ‘down-sizing’ and lay-offs. Further, I provide some evidence that increased worker involvement may merely mean the exchange of bureaucratic control over the individual worker for group control.

In Chapter 3, I attempt to accomplish two objectives. First, after describing my methodology, I provide a meta-analysis of previous research on the outcomes of the new models of labour deployment. I then attempt to identify and assess the relative importance of those factors that contribute to different outcomes of these labour deployment models. Second, in an effort to gain a greater understanding of the actual perceptions and assessments managers and workers hold towards these models, I draw on interview data gathered from workers and managers in the Canadian telecommunications sector and made available to me by Dr Smucker. I conclude this chapter with a summary of my findings.

In Chapter 4, the concluding chapter, I review my findings and offer what I believe can be concluded from this exercise. I also point out some of the limitations of this study and offer some speculations about its implications.
Chapter 1

In *Work and Authority in Industry*, Rinehart Bendix traces the historical evolution of managerial ideologies since the beginning of industrialization. Just before the onset of industrialization, the relationship between owners of enterprises and their workers was based largely on feudal images of paternalistic control. The effect of industrialization was to sever these bonds with the rise to power of entrepreneurial owners who, influenced by the popularization of Enlightenment thought, advanced the notion that individuals were responsible for their own fate in life. Members of the elite could not be responsible for the plight of the poor. Freedom for the individual also meant freedom from the obligations of a feudal era. One of the central dilemmas that emerged was around the entrepreneurs' denial of responsibility for the plight of impoverished workers while justifying their authority over them. (Smucker 1980) On the other hand, "How could the poor be taught self-dependence without developing in them dangerous independence?" (Smucker 1980: 155)

With the rise of large-scale business enterprises in the 19th century, managerial capitalism emerged as the driving force behind many Western economies, particularly in the United States. What made managerial capitalism distinctive was its separation of ownership from the management of these large corporations. Bendix (1956) noted that the increasing size and complexity of these enterprises required that authority be delegated, with the consequence that managers became dependent upon some employees for their technical expertise. This dependence led to the need to ensure that they would comply with the aims of management. In other words, how could managers control the behaviour of their subordinates in order to obtain their objectives? As Bendix (1956: 9) notes,
...the increasing discretion of subordinates had to be matched by strategies of organizational arrangements, material incentives, and ideological appeals if the aims of management were to be realized. In this respect, the managerial ideologies of today are distinguished from the entrepreneurial ideologies of the past in that managerial ideologies are thought to aid employers or their agents, in controlling and directing the activities of workers. (Bendix 1956: 9)

If the managers of these enterprises faced the dilemma of control and the need for willing cooperation from subordinates, the emergence of trade unionism made these issues even more urgent. The unions challenged managerial authority within the workplace by offering a base for collective resistance against management's attempts to dominate labour. Management called for an 'open shop' as well as for the freedom of the individual to work wherever he pleased. (Smucker 1980) Smucker noted that the "Existing modes of production could not continue; employers could not maintain their positions of authority if an image of class conflict were to gain credence." (1980: 159) It was during this period that we see the emergence of Scientific Management as an ideology, partly to circumvent the union movement as well as to improve the technical efficiency of the production process. Scientific Management was based upon F.W.Taylor's doctrine of utility maximization; that individuals sought to maximize their returns. Applied to workers this meant that the promise of higher wages through increased productivity could be a powerful motivating force. This assumption provided the basis for a system of rational calculation of efficiencies in effort and outcome. Administered by management, the doctrine provided a powerful justification for the control of workers while taking from them their control of the work process. (Smucker 1980)

However, another paradox emerged. How could a large-scale enterprise, with all of its complexity, reconcile individual achievement with the rational, stable structure of a
modern industrial organization? (Smucker 1980: 159) Smucker notes that, "Within the increasingly dominant large scale organizations, praise for the abilities in the management of men and conformity to job specifications were far more appropriate than praise for autonomy, daring and perseverance." (1980: 160) During the 1920's, a number of writers began to suggest that managers needed to treat workers of the organization as having strong social needs for recognition and peer approval.

A crucial turning point in management strategies to control the labour process came as a result of the indeterminate findings of Mayo and his associates at the Western Electric plant in 1933. (Mayo 1933) With little empirical support to back their claims, interpreters of these experiments in worker productivity assumed that a major factor was the social support workers received in their work roles. This 'human relations' approach required managers to create this support and thereby diffuse worker opposition. These two approaches, the 'scientific' and the 'human relations' represent two opposite approaches to the control of workers. The first emphasizes the worker as an independent autonomous utility-maximizing agent. The second stresses the social dependence of workers. Historically, strategies of management have alternated in their emphasis between these two perspectives. What remains constant, however, is a competitive environment in which managers must be committed to efficiencies in productivity, viable competitiveness in product quality and achieving adequate levels of profitability. While there is some variability in the forms that this control might take, the end remains the same.

In the 1970's and 1980's, managerial strategies began to place greater emphasis on the social and cultural aspects of the employment relationship. Managerial theorists began to treat the organization as having a culture that can be manipulated to serve managerial goals and objectives. The idea of 'organizational culture' became the latest
managerial attempt to elicit trust and cooperation from the workforce. (Smucker 1988) A number of important external factors contributed to the greater use of 'organizational culture'.

First, in the 1970's and 1980's there was the increasing competitiveness of Japanese products within the North American market. Many commentators attributed the success of the Japanese to their distinctive style of management that elicited the willing cooperation of its workforce. (Smucker 1988: 50-51) It was thought that the success of the Japanese was due to the loyalty and trust that workers displayed towards their managers.

Second, the shortcomings of the bureaucratic organization became apparent as many previously stable organizations were not able to adapt to increasingly unstable national and international markets. (Smucker 1988) Many firms found that they needed increased organizational flexibility to deal with the increased international competition. The ability of the organization to adapt to rapid change required the reducing of various levels of management in order to meet this challenge. With a flatter organizational hierarchy, the loyalty and cooperation of the workforce became more essential for the obtainment of managerial aims and objectives. (Smucker 1988: 53)

Third, in an attempt to emulate the Japanese, North American managers reduced the number of job descriptions and sought to increase internal labour mobility by having workers engage in multitasking and job rotation. In order for work reorganization to succeed, managers had to ensure the willing cooperation and commitment of its workforce, especially when this work reorganization was accompanied by massive reductions of personnel. Managers would work to encourage a culture of trust, commitment, and cooperation. The emphasis on a common organizational culture sought
to diffuse conflict by stressing that management and labour had much in common and that strife was counterproductive to the success of the organization. (Smucker 1988: 52)

In examining the evolution of managerial ideologies, Smucker concludes that, "What is important is that the basic structure of authority -- the system of meanings legitimizing the power of management -- has been maintained even though it has gone through several transformations and faced continued threats from labour and other groups. Ideological formulations have played a major role in the strategies employed to maintain management's power." (1980: 160) If this is correct, then the current emphasis on 'employee involvement' or 'empowerment' are strategies that are designed to elicit the trust and commitment from labour. Consistent with Bendix and Smucker's analyses, these programs may be designed with the intention of giving a degree of power to workers while maintaining the essential core of management's authority and control over workers and the labour process. The issue of control is an essential element in getting workers to comply with managerial objectives, but, as Bendix notes, "...the effectiveness of managerial controls depends either upon a substratum of mutual trust or the institution of additional controls where trust does not exist." (1956: 11) The issue of trust is increasingly seen as the key element that determines whether or not these employee involvement initiatives succeed. Many organizational theorists (particularly in the Human Relations school) have not explicitly theorized the concept of trust, although it is implied in their writings. The key theme of these writings is that if the workers are allowed significant input in the workplace then a more cooperative and trustful relationship can emerge.

In the late 1980's and continuing through the 1990's, trust has become crucial for organizations faced with the uncertainties of globalization. It explains, at least in part, the move toward greater employee involvement in the workplace. Management has to
achieve its objectives in the context of cost cutting. With the instability of markets and intensified national and international competition, management has sought to trim administrative costs while increasing flexibility in labour deployment. By engaging in massive downsizing (particularly at the middle management level) and increasing labour flexibility, management hopes to increase productivity. Reducing these layers of surveillance means that trust and cooperation between management and labour becomes a major priority. The use of employee involvement programs can be seen as managerial strategies that are designed to obtain these objectives. Thus, the focus of this thesis will be upon the kinds of strategies and tactics that management currently uses in order to gain the trust of its workers.

The issue of trust and employer-employee relations has become one of the more central issues in understanding the labour process as well as organizational behaviour. My goal in this thesis is to examine whether or not the 'practice' matches the 'theory' behind the claims of managers, consultants and academics. One of the most important means of testing these theories is to explore the perceptions and reactions of workers to the programs that managers have introduced in the workplace. There are critics who suggest that employee involvement is yet another means to subvert unions and maintain labour in a position of subservience. However, it is far from clear that this is the case. There are a number of situational factors that do come into play, including the worker's own perceptions as well as the assumptions of management. To assume that workers are simply victims of managerial power plays denigrates their agency by assuming that they are dupes. The reality is more complex than what the critics suggest.
Trust in the Organization: A Review of the Literature

While trust has always been implicit in organizational theory, in recent years it has become a subject of more central concern. There are a number of reasons why trust currently occupies a more central place in management discourse. First, among organizations there has been a recent spate of mergers and take-overs that have tended to destabilize past patterns of working relationships. Second, within organizations, efforts have been made to reduce the costs of administration by having workers assume greater personal responsibility for their work. Providing workers with greater responsibility has also meant giving them greater discretion in work-related decisions. Management would want to make sure the decisions benefit the company. Third, appeals to worker trust and worker involvement have been used to reduce the power and influence of unions and to circumvent their presence altogether.

Recognition that trust is an important element in management discourse is not new, of course. It is implicit in Bernard's classic work, The Functions of the Executive (1938) and his emphasis on cooperation. The effectiveness of an organization depends upon the ability of managers to elicit the cooperation of labour. Barnard (1938: 57) notes that these inducements can be of a material basis (incentive pay) or social (greater worker influence on a number of shopfloor issues) or a combination of both. For Barnard:

*The vitality of organizations lies in the willingness of individuals to contribute forces to the cooperative system ... The continuance of willingness ... depends upon the satisfactions that are secured by individual contributors in the process of carrying out the purpose (emphasis mine).*

If the satisfactions do not exceed the sacrifices required, willingness disappears, and the condition is one of organization inefficiency. If the
satisfactions exceed the sacrifices, willingness persists, and the condition is one of efficiency of organization. (1938, 82)

For Barnard, it is a question of creating the proper incentives (material or psychological) in order to elicit the trust and cooperation of individuals within the organization. This same theme also preoccupied the works of the later Human Relations theorists: how to gain the willing cooperation of the workforce. McGregor's (1964) Theory X and Theory Y offer the clearest examples of the continuing academic and managerial theorizing about the need for cooperation between management and labour. Theory X is a set of managerial assumptions that is associated with bureaucratic and scientific management theory. Management distrusts employees so it employs a number of controls to ensure worker compliance with their aims and objectives. Theory Y is based upon the opposite assumptions. In this scenario, management demonstrates that it trusts people and gives them the power to motivate and control themselves within the confines of the organization. Managers who adhere to this position believe in the capacity of workers to fuse their personal beliefs and values with those of the organization. Likert (1967) developed a model of organizations that consists of four types: exploitative, benevolent authoritative, consultative, and participative. The latter type is characterized by management confidence and trust, provisions for the acceptance and utilization of subordinate input, open communications and worker involvement on the shopfloor. Likert asserts that a participative organization is the best means to ensure organizational effectiveness. What these thinkers imply is that trust between managers and workers is an essential element in establishing a cooperative relationship.

For management, the key issue is to elicit cooperation from workers who have had limited control over the means of production. In this respect, the work of Marx and the later generation of labour process theorists have some useful things to say in reference
to this problem. Marx's concept of alienation implies that individual workers have lost control over their lives and that outside parties control and manipulate their behaviour. The property-owning classes appropriated the means of production from the proletariat. With the loss of control over the means of production, workers began to feel alienated from their work and from the capitalists. Marx (1978: 133) wrote that:

The possessing class and the proletarian class represent one and the same alienation. But the former feels satisfied and affirmed in this self-alienation, experiences the alienation as a sign of its own power, and possesses in it the appearance of a human existence. The latter ... feels destroyed in this alienation, seeing in it its own impotence and the reality of an inhuman existence. (emphasis mine)

Marx approached the issue of labour-management relations from a conflict perspective. He assumed that the fundamental conflict between the capitalists and the proletariat was immutable. While this assumption is questionable, nonetheless, the concept of alienation captures an important social dimension of the relationship between management and labour. Even some of the early organizational theorists perceived that worker alienation would have important consequences for organizational effectiveness. Barnard (1938: 93) wrote that, "To establish conditions under which individual pride of craft and of accomplishment can be secured without destroying the material economy of standardized production in cooperative operation is a problem in real efficiency." Barnard perceived that worker alienation could be an intractable problem for the organization unless they offered sufficient material and social benefits to get labour to cooperate with managerial objectives. This implies the issue of control over the work process. Control, in turn implies some degree of trust that work effort will be expended in return for just rewards. These rewards include some satisfactory level of the conditions of work and rewards for the work effort.
While Marx and his followers focused upon conflict as the central element of social relations between capital and labour, organizational theorists focused upon the need to elicit the willing cooperation of workers. But the question remains, given the conflicting objectives of management and labour, *is it possible for the two parties to create and maintain a relationship of trust and respect over a long period of time?* From the Marxist perspective, the answer is no. From the perspective of organizational theory, it is possible and inherently desirable.

In his study of trust and labour-management relations, Alan Fox states that trust refers to the, "...confidence in or reliance on some quality or attribute of a person or thing, confidence or expectation of something; to have faith in or confidence in; to have faith or confidence that something desired is, or will be the case." (Fox 1974: 68) Conversely, to distrust someone is "...to have no confidence in, or suspect the actions, intentions and motives of..." (Fox 1974: 68) Fox notes that the key element of trust is its reciprocal nature in that trust tends to evoke trust while distrust evokes distrust. The decline of a trusting relationship is replaced with a suspicious and distrustful one. In terms of an institutionalized relationship, Fox notes that differing degrees of trust and/or distrust are expressed in the role, rules and relations which individuals seek to impose on and get accepted by others.

Fox argues that when the rules and job roles of diverse kinds are being designed, those who are regulated may perceive them as expressing "...either a high or low degree of reliance, confidence, and faith of those for whom they are being made." (Fox 1974: 68) The notion of discretion in work roles is a key element in Fox's analysis of trust. The occupants of high discretion job roles may perceive themselves as the recipients of high trust that has been formalized in the rules and relationships of the organization.
Conversely, the occupants of low discretion roles will perceive themselves to be the recipients of low institutionalized trust. The former example is a situation of discretionary trust in which a great deal of freedom is permitted to the occupants to perform their tasks. The latter example can be characterized as a situation of prescriptive trust in which tasks are sharply and rigidly defined and the discretion to perform them is limited.

The low discretion syndrome is predicated on a superordinate view that role occupants (workers) as not trustworthy or competent enough to accomplish their tasks according to the goals and objectives of the firm. They require close supervision as well as specific impersonal rules that define their jobs. Coordination is achieved through the use of standardized routines and schedules that rule out open and unrestricted communication and interaction that is needed for jobs that require problem-solving. It is assumed that the inability to carry out the prescribed tasks is based upon worker negligence, insubordination or incompetence. In this scenario, conflict can or should be conducted on a group basis through (collective) bargaining that acknowledges the divergence in management and worker/union interests. In terms of rewards, there is a much greater emphasis on extrinsic (pay, insurance, pay increases) as opposed to intrinsic forms of rewards.

The high discretion syndrome is based upon the assumption by superordinates that personal commitment on the part of the worker to a work role and/or the objectives of the organization is present and desirable. These kinds of jobs entail freedom from close supervision and detailed regulation. There is a fairly open network of communication and interaction with those in leadership roles being viewed as supportive colleagues. Communication takes the form of advice while there is a greater emphasis upon information-sharing and consultative discussion over commands and directives.
Instead of imposing coordination through standardized processes, high discretion roles place a premium on problem solving. Inadequate job performances are seen as honest misjudgments instead of incompetence or insubordination. The handling of disagreements is based upon 'working through' the attainment of shared goals rather than bargaining on the basis of conflicting interests. The worker is expected to participate in a community of common values and is expected to exercise his/her own judgement towards the aims and objectives of this community. (Fox 1974: 78) It is also implied that the worker is expected to go 'the extra mile' and to sacrifice short-term interests in the name of the organization.

It should be noted that these distinctions are idealized types that serve to highlight differences between jobs that are characterized by 'control' and 'commitment' approaches to work organization. Fox recognizes that no matter how prescribed an employment relationship may be, there must be some element of trust present otherwise the tasks will not be performed as efficiently as management would like. To some degree, according to Fox, every job has an element of discretion present, even in jobs that are of the low discretion variety. Second, there is no work role that does not have some level of prescription that limits to some extent the level of worker trust. Fox's model is useful in describing the kinds of jobs that emerged in the process of industrialization. The kinds of jobs that one associates with the low trust syndrome tend to be the blue collar factory type while high discretion attributes are commonly correlated with managerial and many other white collar positions.

Fox's discussion of vertical and lateral trust also seems to capture an element of the social consequences of industrialization. He noted how workers in low discretion roles having low vertical trust tended to seek common cause in order to attain relief from their grievances vis-a-vis management. Amongst the workers, high lateral trust emerges
as a result of their common struggle against management. (Fox 1974: 79) Once again, these concepts have to be viewed as ‘types’ because as Fox notes, relations among workers can be laced with suspicion and competitiveness depending upon the given situation. A combination of work reorganization and managerial strategy can, for example, undercut the lateral trust within a union by undermining worker solidarity. (Parker 1985; Parker and Slaughter 1988; Barker 1993; Graham 1995; Rinehart 1997) In these cases, relationships among workers themselves can be as distrustful as those between management and labour.

Fox notes that, all things considered, a combination of low vertical trust (management and labour) and high lateral trust (amongst workers or a union) tends to lend itself to ideologies of collectivism, mutual help, solidarity, equality and the limitation of self-maximizing behaviour. (Fox 1974: 82-83) This is the ideal environment for union activism within an organization. A combination of high vertical trust and low lateral trust promotes worldviews that are consistent with free market capitalism; competitive individualism, opportunity, admiration of success, differential rewards, and the discouragement of collectivism. Interestingly enough, these are the same traits that firms are trying to encourage in their workers, plants and between plants of the same organization. (Peters and Waterman 1982; Kanter 1983; Fairholm 1994) In Re-engineering Management (1995), James Champy states that, "...everyone must become a self-manager, accepting responsibility for performance and value-added contributions to the overall enterprise ...Self-management, taking responsibility and accepting the accountability that goes along with this freedom, is probably the single most important value that a corporation can promote during this period of change. (pg xviii)
Fox's analysis of the role of trust in organizations, makes it clear that while it plays an important role in the ongoing relationships within industrial organizations, it is also an ideological concept used by management to maintain its authority. Paul Du Gay contends that firms have to alter their 'organizational culture' in order to secure the trust and support of employees. Managers see 'culture' as a method to align the individual with the goals and objectives of the firm. In this view:

Culture is accorded a privilege in this endeavor because it is seen to structure the way people think, feel and act in organizations. The aim is to produce the sort of meanings that will enable people to make the right and necessary contribution to the success of the organization for which they work. To this end, managers are encouraged to view the most effective or 'excellent' organizations as those with the appropriate 'culture' - that ensemble of norms and techniques of conduct that enables the self-actualizing capacities of individuals to become aligned with the goals and objectives of the organization for which they work. (Du Gay 1996: 41)

In other words, management wants to establish an environment of high vertical trust with its employees. In an economic environment that has become increasingly uncertain, many commentators have assumed that firms must elicit greater support and trust of their workers. An example of Du Gay's contention is the thesis of a management consultant who writes that, "Past organizational and institutional systems that focused on control are fast becoming obsolete. We must form new relationship patterns that rely not on external control but on shared decision-making, unified planning and mutual trust. (emphasis mine)" (Fairholm 1994: 25) This quote from Fairholm illustrates one of the reasons why trust is important in management discourse. If changing the nature of the organizational structure means eliminating middle management and line supervisors (see Downie and Coates 1993; Rifkin 1995; Betcherman and Lowe 1997), then managers must manipulate the conditions by which they can trust workers to act in (the managers') best interests.
To accomplish this, the concept of 'enterprise culture' is often emphasized in management literature. (Peters and Waterman 1982; Kanter 1983; Fairholm 1994; Champy 1995) An enterprise culture is "...one in which certain enterprising qualities - such as self-reliance, personal responsibility, boldness and a willingness to take risks in pursuit of goals - are regarded as human virtues and are promoted as such. (Du Gay 1996: 56) Workers are encouraged to take on greater responsibility by becoming more 'entrepreneurial' in their work. The plethora of employee involvement programs tends to reflect this ethos in the workplace. The portrayal of the organization as an 'enterprising culture' serves to underscore the idea that management and labour are partners in the same endeavor against the competition. Cooperation is the overriding goal for both parties to this 'enterprising culture.'

From the point of view of management theorists, fostering increased trust and cooperation between management and labour increases production efficiencies. For example, Shaw states that, "Organizations with high levels of distrust are at a competitive disadvantage. ... organizations that build on a foundation of trust are best positioned to achieve predictable business outcomes. Trust, ... is one of the most important factors in achieving 'hard' business outcomes. (emphasis mine)" (1994: xl) The institutionalization of employee involvement programs reflects this managerial desire to create a climate of trust and cooperation with workers in order to achieve higher productivity and profitability for the organization.

Some advocates of these programs argue that these initiatives are more democratic than the previous model of industrial relations based upon low vertical trust. Halal states that, "...the foundation of a 'New Management' model built on democracy
and enterprise will support far more powerful institutions that are entrepreneurial yet human-oriented, intensely competitive but also highly collaborative." (1996: xviii)

Cotton refers to employee involvement as "...a participative process to use the entire capacity of workers designed to encourage employee commitment to organizational success." (1993: 14) It entails a set of organizational practices and techniques that are designed to improve productivity, product quality and employee attitudes. What is significant about these definitions of employee involvement is the implication that these programs are initiated from above.

In order to create a climate of trust, management has to demonstrate that it is concerned about the welfare of its employees. In material terms, it may mean that the firm offers flexible schedules, daycare and even physical fitness centres for employees who wish to relieve stress. One firm, MDS Norion, went through a process of reorganization in which managers wished to create a culture that would get their employees completely committed to the organization. (Globe and Mail 26 October 1998: B15) The goal was to train employees to solve problems, resolve conflicts and communicate better. As part of its overall objectives, MDS Norion set up a fitness center and offered flexible schedules to its employees. In this way, management sought to demonstrate that it was concerned about its employees. Management was also concerned that it be perceived in a more positive light, so it eliminated executive parking spaces. In effect, management was trying to communicate to its employees, through symbols and concrete benefits, that it was trustworthy and cared for its employees. In this way, management is able to create a context of trust with its workers.

However, with that being said, management remains concerned about organizational outcomes. As the President of MDS Norion stated, "There is a strong
people component, but we also expect good business results out of what we do." (Globe and Mail 26 October 1998: B15 italics mine) After the program was put into effect, absenteeism was down 27%, union grievances were cut by 61% and the accident rate was reduced by 78%. For management, increasing trust with workers is not just a matter of altruism but also one of improving the performance of the firm.

The consultant literature cites a number of positive outcomes that are associated with employee involvement programs. It has been argued that employee involvement results in better decisions because it provides the means for management to tap the tacit knowledge that workers have acquired. In getting workers to share their knowledge of the work process, management can enhance its control over the work process and make better decisions in terms of product quality and/or service. (Fairholm 1994) The key assumption of this aspect of employee involvement is that the worker has information that managers do not have. To get workers to share this information with management requires a degree of trust between management and labour. If both parties distrust each other, then labour may not share this information with the organization.

With respect to the problem of stimulating worker motivation, some management-oriented literature claims that participation and cooperation serves to fulfil individual needs for achievement, respect and creativity. Deci’s model of intrinsic motivators holds that the internal state of the worker determines the level of effort. (Deci 1975a; 1975b; Deci and Ryan 1985) In this view, individuals "...are motivated by drives for competence and self-determination. Consequently, individuals engage in two kinds of behaviours - seeking challenging situations and conquering those challenges." (Smither 1988) Indeed. Fairholm (1994: 29) goes as far to claim that these intrinsic factors (achievement, self-reliance, greater discretion and recognition) provide a surer basis for developing trusting relationships. He states that, "They (intrinsic factors) provide a cultural foundation
supportive of mutual trust, emotional security, commitment and cooperation." Of course, this assumes that all workers are motivated by challenging jobs and view work as an essential element of their lives. This may not hold for workers who have an instrumental view of work and derive personal satisfaction outside of their jobs.

Verma and Zerbe's (1991) study of employee involvement and worker perceptions of new technologies suggests that involvement promotes the acceptance of new technologies on the shopfloor. When unions and management attempt to jointly solve problems on a non-adversarial basis, the improved relationship could spill over into a less conflict-ridden environment. But one should keep in mind that management's efforts to create more involvement and to encourage greater levels of trust are designed to lower the 'transaction costs' in dealing with labour issues. The objective is clearly to foster among workers greater identification with the organization. This sets up conditions whereby the costs of middle management can be reduced as management-labour conflict is reduced.

Can trust and cooperation be sustained over the long run? The work of Oliver Williamson (1985) and Gary Miller (1992) suggests that maintaining a cooperative relationship is problematic. In the case of labour-management relations, Williamson's transaction cost theory implies that there is a bargaining relationship that exists between the parties. When management and labour (assuming that there is a union, of course) attempt to establish a more trusting and cooperative relationship, they are doing so in the hopes that they will each gain something. Management hopes to achieve its objectives of greater productivity, improved product quality and augmented profits. Labour hopes to increase is influence over a number of workplace issues (such as decisions about technology, training and employment security) and to improve the quality of work life for its constituents.
Miller (1992: 218) notes that there is a short-term incentive, on the part of both parties, to cheat. He notes that an employer who uses a piece-rate system to get workers to commit themselves to high levels of effort, and to monitor and sanction each other through teamwork could then cut those rates and lay off workers in order to keep profits high. Conversely, if the employee involvement initiatives were seen as costly and were not providing tangible benefits for the organization, management would terminate the programs. Similarly, there remains a high enough level of worker suspicion of employee involvement programs that these initiatives face barriers to successful implementation. Miller (1992) suggests that management must make 'credible commitments' to its workers to get workers to trust and cooperate with organizational goals. In this view, managers must:

(1) Communicate symbolically with their employees by eliminating status symbols, such as differentiated parking spots, or separate cafeterias for managers and workers.

(2) Managers must build up trust with their workers by following through on commitments made to the latter.

(3) Create credible constitutional constraints upon unilateral managerial actions through greater employee representation in all levels of the organization.

(4) Management must be committed to a policy of employment security. By committing itself to maintaining employment, managers could encourage employees to commit to the organization without the fear of losing their jobs.

(5) Create and maintain full autonomous work teams. Management must respect the outcomes that these teams in regard to the production process.

(6) Management must commit resources to extensive training programs. The main result would be to encourage workers to trust management and commit themselves to the organization. Miller (1992)
Miller (1992) argues that employment security would encourage workers to trust management because the latter was committing itself to maintaining current employment levels. A policy of employment security would encourage greater employee acceptance of technological and organizational change. While it is difficult to verify Miller's assertions, there is evidence that suggests that trust is difficult to maintain in situations where management wants cooperation with labour but is also committed to organizational downsizing. Mishra, Spreitzer and Mishra (1998) contend that one of the key problems that a downsizing organization faces is to mitigate survivor mistrust and disempowerment. In their view:

Survivors may no longer trust top management's openness because communication is not credible or information is withheld. Survivors may not believe that management cares about employees' needs if they see that their welfare has been sacrificed for top management's personal gain ...As they become increasingly suspicious of management, they may see themselves as independent contractors, viewing the organization in purely instrumental terms and refusing to integrate themselves into the work culture. (Mishra, Spreitzer and Mishra 1998: 85-85)

One of the negative effects of downsizing is upon the commitment of individual workers. The work of Brockner (1992a; 1992b; 1993) suggests that downsizing can have a negative impact upon the commitment of workers. If the layoffs were perceived as unfair then the level of commitment to an organization would decline, particularly among those workers who were highly committed. If organizations are under pressure to continually rewrite the terms of the 'psychological contract' and cannot or will not fulfil their promises, then it will be difficult for management to sustain a long term relationship of trust and cooperation with labour. (Robinson 1996) Indeed, as Robinson notes:

Organizations must now repeatedlly manage, renegotiate, and alter the terms of the employment agreement continually to fit changing circumstances...constant contract change means increased opportunities for employees and employers to misunderstand the agreement and to
perceive a contract breach even when an actual breach did not occur. (1996: 574)

The concept of the 'psychological contract' refers to a tacit contract that exists between employers and employees. Workers exchange hard work and loyalty for long-term job security. Within this contract, conflicts may remain over a number of issues, such as work effort or technological change. However, as long as the basic contract is respected, there is room for bargaining between management and labour.

In the 1990's, organizations have adopted strategies of 'cost containment' that include the elimination of whole layers of white and blue-collar positions. Paradoxically, as large organizations reduce their labour forces in order to reduce their costs, they are also seeking greater commitment from those workers who remain. Despite the assurances from management, the remaining workers are keenly aware of the tenuousness of their employment. As Mishra, Spreitzer and Mishra put it:

> Downsized organizations...depend on empowerment and trust as hierarchies are dismantled and fewer managers remain to monitor employee behavior...With weakening hierarchies, individuals are increasingly faced with situations in which formal controls and sanctions do not exist and where trust becomes essential to coordinated action. (1998: 85)

If management wishes to ensure greater trust and cooperation with labour, it must be prepared to make some concrete 'credible commitments' in order to demonstrate its own trustworthiness. However, there are important structural issues that constrain management. One of these factors is that of cost containment. With intensified global competition, managers must keep the costs of production low. A second factor is the need to enhance shareholder value for the organization. Managers face enormous

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1 The notion of the psychological contract refers to an implied contract that is assumed to take place in the employment relationship. Workers were guaranteed employment security in exchange for hard work, loyalty, and the managerial right to organize the work process as it sees fit.
pressures to increase the value of the stock for the shareholders. (Miller 1992, Levine 1994: Kochan and Osterman 1994) There is a strong tendency for managers to make short-term decisions that increase the value of earnings. Conversely, since the results of employee involvement initiatives can only be adequately assessed after some years, the commitment of management to greater cooperation with labour with these programs may wane. These factors make a long-term cooperative relationship between management and labour problematic.

But cooperation and trust are themselves means to an end, from the managers' point of view. They are embraced only in the service of creating high levels of motivation from workers in achieving the organizations' objectives. Programs designed to serve these ends include: eliciting suggestions from workers, offering to share productivity gains, and radically reorganizing the workplace.

The key elements involved in the management literature devoted to schemes of worker cooperation and participation may be diagrammed as follows:

Involvement <-> Trust <-> Cooperation <-> Satisfaction -> Commitment
And Motivation -> Productivity

Jones and George (1998: 536) make a distinction between conditional and unconditional trust. Conditional trust is "...a state of trust in which both parties are willing to transact with each other, as long as each behaves appropriately..." Unconditional trust characterizes "...an experience of trust that starts when individuals abandon the "pretense" of suspending belief, because shared values now structure the social situation and become the primary vehicle through which those individuals experience trust." (Jones and George 1998: 539)
While conditional trust is enough to secure the basic cooperation of workers with management, Jones and George contend that managers should aim for a situation whereby workers have unconditional trust in management. As they put it, "Shared values result in strong desires to cooperate, even at personal expense, which overcomes the problems of shirking and free riding." (Jones and George 1998: 539) Unconditional trust leads to the furthering of managerial objectives by promoting broad role definitions, communal relationships, high confidence in others, the free exchange of knowledge and information, the subjugation of the individual to the goals of the organization and higher worker involvement. Management stands to gain much from a situation where workers unconditionally trust them; however, it is unclear how workers benefit in all of this.

Jones and George indicate that cooperation would eliminate 'shirking' and 'free riding' which implies an essentially negative view of workers. It also implicitly assumes that workers need to be directed toward the achievement of managerial ends, in other words, the location of control may be shifted but it is still present. Management has to ensure that workers carry out their assignments in a timely fashion, after all, management has to ensure that production is as efficient and profitable as possible. The idea of control may be slightly different under a regime of unconditional trust but it is nonetheless present even in more democratic work regimes. This has important implications for the implementation of employee involvement initiatives because if managerial authority and control in the workplace are essentially preserved by these initiatives then it suggests that they do not alter the structure of the organization in meaningful ways for labour. In such cases, workers will not substantially benefit from employee involvement programs.
Chapter 2

There are a number of employee involvement strategies that management may choose to implement in order to elicit the cooperation and trust of workers. Some of these programs are relatively simple while other initiatives require substantial change to the structure of the organization. In this section, we will briefly examine the following programs as strategies to achieve cooperation: **Gainsharing, Job Enrichment, Quality of Working Life/Quality Circles and Work Teams**. For the purpose of this study, it is best to view these strategies as ideal types because seldom will firms adopt one or all of them in their purest form. For example, in the case of the telecommunications industry, it is not uncommon for plants to use a combination of employee involvement programs. Some plants use a combination of work teams, quality circles and some form of gainsharing. When firms adopt employee involvement programs, they may tailor them to their own needs and objectives. Nonetheless, examining the above strategies will serve to highlight the common elements that each strategy has in common with the other: (i.e: getting workers to trust and cooperate with managers)

*Gainsharing*

Gainsharing plans are designed to directly reward employees for their involvement by giving bonuses for improved productivity. Employees have a direct stake in the company because they get direct financial benefits from suggestions that improve productivity. In some ways, gainsharing is a strong selling point for employee involvement programs because there is an incentive to provide suggestions to management. In the literature on gainsharing, there are a number of gainsharing plans that have been used by management: **Scanlon Plans, Rucker Plans and Improshare**. For example, under the Scanlon Plan, employees share directly in any extra profits resulting from suggestions that improve productivity. The formula is based upon the past relationship between labour costs and the value of production. It assumes that the
reduction of labour costs (assuming that production remains constant) or an increase in production (assuming that labour costs remain constant) will generate extra profits, part of which should be shared with the workers. For managers, there are a number of benefits to sharing productivity gains with workers. As Dessler puts it,

Employees make many suggestions, they accept the need for technological changes, and, perhaps most important, a work climate hostile to loafing results. The plan tends to encourage a sense of partnership and sharing among workers, one in which the organization's goals become synchronized with those of its employees. (1986: 328)

Cotton (1993) notes that these plans have the following elements in common: (a) they are formal supplemental compensation systems aimed at individual departments, plants or companies; (b) they focus on improvements in labour productivity or cost reduction, not on sales or profits and; (c) they offer financial bonuses to employees for these improvements in productivity. According to Dachler and Wilpert (1978), gainsharing plans are formal and direct forms of employee involvement. It is formal because it could be spelled out as part of the employment contract or as part of a collective bargaining agreement. It is a direct form of employee involvement because there appear to be some concrete gains that workers can achieve for their suggestions.

However, it should be stated that management is not bound by the suggestions of their employees. Management continues to preserve its authority. This, in turn, implies that the organizational hierarchy does not have to be altered. Since firms may choose to implement employee involvement programs conservatively, gainsharing may appeal to management. They do not have to concede a great deal of power to the employees and the resources needed to finance gainsharing do not have to be substantial. If management is contemplating greater employee involvement without diluting its authority, then gainsharing may have a great deal of appeal for them. For the workers, the benefits of
gainsharing are clearly financial. In terms of having a greater say over their work and a more humane work environment, workers may not benefit from a system that preserves the essential authority of managers to make decisions in the workplace.

*Job Enrichment*

Job enrichment is a form of employee involvement that attempts to increase participation at the level of the job. Briefly stated, the theory of job enrichment suggests that if you increase the scope and variety of tasks in a given job for the employee, you will increase the level of job satisfaction. Job enrichment attempts to address one of the key consequences of Taylor's ideas on specialization: worker alienation. As Sayles and Strauss put it:

...Management pays a price for the work simplification, routinization, and ease of supervision inherent in mass production work. The cost is largely in terms of apathy and boredom, as positive satisfactions are engineered out of the jobs. Being confined physically and limited socially to contacting his own immediate supervisor, the factory worker sees very little of the total organization and even less of the total product being manufactured, It is hardly surprising that there is frequently little pride in work or identification with a job. (1966: 47)

Cotton states that, "...job enrichment is formal employee involvement because job enrichment is a conscious effort to increase the autonomy and responsibility of job incumbents. It falls within the direct category, as the participation is face to face. The level of influence is high; a major part of enriching jobs is providing autonomy within the jobs." (1993: 141-142) In theory, job autonomy is clearly the most attractive element of enriching jobs. If management can reduce the monotony of the job by increasing the range of tasks and autonomy, then gains in productivity and profitability can be achieved. By designing jobs with more variety and more autonomy, management hopes to demonstrate its concern for workers and create a more trusting relationship.
The success of job enrichment programs appears to be mixed. (Dessler 1986; Lawler 1986; Cotton 1993) Like many of the other employee involvement programs, job enrichment is based upon the assumption that workers value personal growth, the need for autonomy and challenging work. (Lawler 1989: 95) In other words, the workers have to have an entrepreneurial attitude towards their work. A program of job enrichment is not likely to succeed with workers who have a more instrumental approach to work. If work is merely viewed as a means to the achievement of other ends, then job enrichment may not succeed. Dessler suggests that workers without a 'need-to-achieve' ethic may actually prefer the more routinized and standardized jobs than more challenging and varied ones. (1986: 259)

The issue of compensation is another thorny issue that job enrichment raises. If the design of the job is altered to allow the worker to do a variety of tasks, the demands for greater compensation may increase. Some workers may be disappointed that their financial gains do not match their increased responsibilities. This also raises the issue of where job enrichment ends and job intensification begins. If the jobs are altered to give greater worker autonomy and responsibility to workers without a corresponding match in pay, then what can emerge is not empowerment but exploitation clothed in managerial rhetoric.

Another barrier to enriching jobs is the actual cost in altering them. As Dessler puts it, "...job enrichment increases costs for exactly the reasons that specialization reduces them." (1986: 259) Higher training and production costs are entailed in a move from specialization to job enrichment and the costs and benefits have to be weighed accordingly. Such changes seem to be the most efficient in unstable product markets. In markets that are relatively stable, specialization reduces the time needed for learning a
task, it increases the level of worker proficiency over time and less time is needed in
switching tasks. All of these factors can impose constraints on managers who are
continually under pressure to keep costs down. In any case, it's far from certain that job
enrichment can succeed in motivating workers to pursue managerial ends because there
are a number of constraints that prevent management from implementing them in the
workplace.

**Quality of Working Life/Quality Circles**

Quality of Working Life (QWL) is an approach that aims to maximize
cooperation between management and labour. (Cotton 1993: 33-35) A general model of
QWL consists of a letter of agreement between the union and management, a joint
committee structure and a set of objectives to be obtained. For example, this agreement
often contains employment security provisions in reference to the potential productivity
gains of the program. The joint committee constitutes the core of the Quality of Work
Life program. Lawler (1986: 122) describes the committee as a "...parallel intervening
structure between the union and the organization." The committee oversees the direction
of the program and provides material and other support.

This joint committee structure is one of the clearest distinctions that can be made
between QWL and the *quality circle*. The quality circle consists of a small group of
employees (between 5 and 15) who meet on a regular basis on company time to discuss
issues that are directly related to production. (Cotton 1993: 59) In some cases, quality
circles can be combined with gainsharing programs to encourage workers to make
suggestions that could improve productivity in the plant. The group can make
recommendations about improving the work process but it is up to management to decide
whether to implement employee recommendations. The quality circle is a formal
program of employee involvement but the amount of influence that employees have can
be limited. (Dachler and Wilpert 1978; Lawler 1986; Cotton 1993) Management retains its prerogative to make the final decision on virtually all matters on the shopfloor.

In both cases, the future of QWL and Quality Circles depends upon the level of training held by both groups of participants. Management and labour require a great deal of training to function in this type of environment. The long-term success of these programs remains problematic. Lawler (1986: 135) suggests that, "Unless programs focus on improving productivity or quality through changing communication patterns, employee skills, or employee motivation, they are unlikely to directly affect organizational performance." In reference to quality circles, it has been suggested that they raise the expectations of workers to a level where they may not be fulfilled. Lawler writes that:

Quality circles can set up expectations and desires for broader participation in decision-making and financial gains, but the structure does not allow these to be met ... quality circle programs do not allow the financial gains that are realized to be shared broadly in the organization. Nor are they capable of changing the overall structure of the organization - the way jobs are designed or the way work is done. (1986: 58)

Quality circles do not allow substantial worker autonomy over decision-making nor do they share the financial gains with the workers who may have been responsible for improved organizational performance. As a method of eliciting the trust of its workers in the long run, the value of the quality circle is limited. The lack of worker recognition and of financial rewards may actually undermine the longevity of the program. Nonetheless, they are potentially quite popular amongst managers because they can determine in advance what they are getting and thereby limiting the extent of participation. (Lawler 1986) This is an important consideration for managers who fear losing their status, authority (and their jobs) in a more egalitarian relationship with labour. The loss of status
and authority is one of the central dilemmas that managers face in relationship to labour. On the one hand, management needs the trust and cooperation of workers in order to secure its organizational objectives (profitability, product quality and productivity). On the other hand, managers wish to preserve their authority in the workplace by maintaining control over the labour process. A number of writers have already suggested that one of the main reasons that trust between labour and management declines and employee involvement programs subsequently fail is due to the fears of some managers. (Miller 1991; Levine 1995; Fenton-O'Creevy 1998)

**Work Teams**

Work teams are probably the most extensive formal employee involvement initiative in comparison to Quality of Work Life programs, Quality Circles or job enrichment. In theory, teamwork combines a high degree of participation with greater autonomy and control over the work process. Indeed, among consultants and some academics, work teams have been hailed as a kind of panacea for both labour and management. (Halpern 1983; Lawler 1986; Rankin 1990; Miller 1991; Wellins *et al* 1991; Cotton 1993; Levine 1995) Work teams are composed of approximately twelve to fifteen people and in theory, have significant autonomy and the ability to make decisions previously held by supervisors and low-level managers. (Lawler 1986; Wellins *et al* 1991; Cotton 1993) A team might make decisions on hiring, breaks, vacations, training and even on some production matters such as quality control and maintenance. For the workers, they would get more challenging jobs and greater autonomy and decision-making in the work process. In the case of management, there would be gains in terms of productivity, quality and profitability.

In the Canadian literature on work teams, the Shell Sarnia Oil refinery has been cited as a successful example. (Davis and Sullivan 1980; Halpern 1983; Rankin 1990;
Richer 1991) Management decided to alter its existing practices in establishing the new plant in Sarnia by emphasizing greater trust and cooperation with the union. The team concept was embraced and the plant was organized accordingly. Halpern (1983) contended that management derived a number of tangible benefits from the new arrangement including; greater trust with its workers, improved problem-solving and communication and greater labour flexibility due to the ability of team members to rotate jobs. One key question that has to be posed is how successful would these changes been in a traditional 'brownfield' plant instead of a new plant. Could they have been maintained in an environment that may be prone to labour-management conflicts

A number of strategies have been outlined where management aims to foster trust and a commitment to management goals and objectives. These ideal types tend to assume that the work force is non-unionized, which is not necessarily the case for many sectors of the economy. Indeed, there is some evidence that suggests that managers prefer to have a non-unionized environment in order to get workers to trust them. Fairholm writes that, "Leaders must tie the divergent views of an increasingly diversified work force together in a strong set of cultural values that define the group and give it coherence and form. Homogeneous groups can be led to achieve vision aims; heterogeneous groups cannot." (1994: 42) While Fairholm may be referring to the cultural diversity of the work force and the need to get everyone to buy in to management's views, he could also be easily addressing a managerial perception that unions are divisive and are an obstacle to achieving a trustful relationship with workers. Unions are treated as obsolete institutions that seek to sow conflict with management when there should be harmony. In a critical view of unions, James Champy contends that,
...labour is frozen in its adversarial posture by its investments in the seniority system, the grievance system, and the work-rule system (union-Taylorism). Not could it forget management's own long devotion to the adversarial culture. (1995: 47)

According to Cooke's (1990) study of union-management cooperation, managerial strategies can be based on union avoidance, cooperation or both. What dictates the choice of strategy depends upon a combination of factors: the market, the extent of union representation, as well as the firm's operational and financial structures. In the case of market factors, Cooke contends that the greater the import penetration in the firm's market, the more likely a union avoidance strategy is used. The extent of union representation has an important impact in the sense that the more highly unionized the corporation, the greater the likelihood that union avoidance strategies will not be pursued. In terms of the operational and financial structures of the firm, the greater the investment in plant operations, the less likely that a risky strategy of union avoidance or joint cooperative programs will be used. Cooke (1990: 78-81) suggests that corporate executives have chosen strategies that fit within the competitive pressures of their industries and the collective bargaining, operational and financial structures. He notes, however, that after weighing the costs and benefits across the various strategies managers will tend to chose a Union Avoidance strategy.

Another factor that has an impact on the adoption of trust-based forms of employee involvement is the state of the adopting organization. A series of case studies by Di Giacomo (1998) suggests that organizational crises play an important role in the adoption of employee involvement programs. When faced with the need to improve productivity, quality and profitability, managers may be ready to take risks in moving towards these types of worker participation. Appelbaum and Batt (1994) argue that work systems tend to be transformed under the following three conditions; (a) a crisis threatens
the product line, market share or the organization; (b) the company has the resources to
gamble on a high risk strategy and; (c) top management is willing to take that risk.
However, they note that crises can also lead to downsizing, increased outsourcing of
production, and management reneging on previous commitments made to its workers.
(i.e: employment security) Indeed, Osterman's (1994) study on the adoption of employee
involvement programs suggests that there is a strong correlation between a high wage
strategy and the incidence of employee involvement programs. Firms that have adopted a
strategy to keep costs low will not be likely to adopt these programs and will utilize
downsizing, contingent labour and outsourcing. To sum up, there are a number of
factors that managers will consider in deciding to adopt employee involvement programs
in order to secure the trust of labour.

Towards A Critical Understanding of Trust and Commitment

In the managerial literature, it has been assumed that increased worker trust and
commitment to the organization is inherently good for everyone involved. However, the
goal of management is to achieve the goals and objectives of the organization; increased
profitability, productivity and product quality. Employee involvement is an attempt to
elicit the trust and commitment of workers to the organization, with the hope that this will
increase their motivation and productivity. Hyman and Mason's study sees employee
involvement as the "...practices and policies which emanate from management and
sympathizers of free market commercial activity and which purport to provide employees
with the opportunity to influence and where appropriate take part in decision-making on
matters which affect them." (1995: 21) Champy states that, "...No one is going to go
through the ordeal of a total mobilization for change without knowing why or what for ...
It's only when people trust us that we can mobilize them for the brutal changes required
Efforts to elicit the trust and cooperation of workers through the use of employee involvement programs have been the subject of theoretical and empirical criticism. (Parker 1985; Parker and Slaughter 1988; Graham 1995; Milkman 1997; Rinehart 1997) One of the central criticisms that has been made is that these programs serve to enhance managerial control over the work process at the expense of the worker. In the case of work teams, Parker and Slaughter (1988) suggest that they constitute a system of management-by-stress and job intensification. They suggest that the location of managerial control has merely shifted and has not been eliminated. Instead of having a managerial bureaucracy supervise and discipline labour, the workers initiate supervision and discipline on their peers. In this view, the managerial rhetoric of trust and cooperation through employee involvement seeks to align the loyalty of the workers to the firm. To the extent that unions compete with the organization for the loyalty of the workers, managers will seek to undermine union activities.

While proponents of employee involvement argue that these programs represent a shift from a 'control' model to a 'commitment' model of industrial relations, critical writers express skepticism. (O'Reilly 1989; Grenier 1990; Barley and Kunda 1992; Barker 1993; Thomas 1993; Markowitz 1996; Sewell 1998; Ezzamel and Willmott 1998) Barley and Kunda (1992) have argued that the history of managerial discourse has continuously shifted between rational and normative forms of control. Rational forms of control are based upon bureaucratic structures designed to ensure the compliance of the worker. The assumption was that the worker could not be trusted to carry out the required tasks so a mechanism was required to ensure that the individual carried out managerial aims. A system of normative control is based upon three assumptions. First, the economic performance of the organization in an instable environment requires the commitment of employees to identify with the firm's goals and objectives. Second, it is
assumed that strong organizational cultures can be created, altered and manipulated by managers. Barley and Kunda state that, "Enlightened managers were said to be capable not only of formulating value systems but of instilling those values in their employees. Management was advised to exorcise unwanted thoughts and feelings from the workforce and to replace them with beliefs and emotions that benefited the organization." (1992: 383) Divergent interests between management and labour would be viewed as anathema and a pathology that had to be treated effectively. An independent union could be seen as a disease that threatened the integrity of the organization and competed with it for the hearts and minds of workers. Finally, the third assumption was that conformity to a set of values and emotional commitments would enhance the economic performance of the organization. Thus, the critical view of organizational culture would see the location of managerial control shift from formal to informal mechanisms. In general, the need for management to ensure worker compliance (control) remains, but how it achieves this compliance is different from the bureaucratic model.

A clear example of how the location of managerial control has shifted is demonstrated in some of the critical studies on teamwork. (Barker 1993; Sewell 1998; Ezzamel and Willmott 1998) Barker's (1993) thesis is that work teams provide a more sophisticated method of social control of workers. Work teams tend to develop their own normative rules that control their actions much more effectively than a bureaucratic system of control. The idea of concertive control is an important element in Barker's analysis. The workers achieve concertive control by "...reaching a negotiated consensus on how to shape their behaviour according to a set of core values, such as the values found in a corporate mission statement." (Barker 1993: 411) Furthermore, Barker writes that, "This negotiated consensus creates and recreates a value-based discourse that workers use to infer proper behavioural premises: ideas, norms, or rules that enable them to act in ways functional for the organization." (1993: 412)
In a concertive structure, workers create the meanings that structure the system that ends up controlling them. Under a system of bureaucratic control, employees would come to work on time because the employee handbook and the supervisor demanded it. (Barker 1993: 412) With a system of concertive control, employees would come to work on time because their peers would have the authority to demand it. Using the example of ISE Communications, Barker demonstrates how a traditional hierarchical structure was converted to a flatter, more decentralized structure dependent upon the success of autonomous work teams. The workers agreed to be involved in work teams but soon began to police each other in order to meet management's objectives. The work of Barker (1993), Sewell (1998), and Ezzamel and Willmott (1998) draws out some of the darker implications of management's attempts to achieve its objectives with a minimum of supervision. Far from being a system of autonomy for workers, the concertive control of work teams simply shifts the source of control from management to the group of workers themselves.

The recent critical studies of teamwork demonstrate how management can harness the power of group norms to serve its aims and objectives. Instead of using a rational, bureaucratic model to ensure that workers make the right decisions, the group norms of the team pressure workers to conform. The work of Barker (1993), Sewell (1998) and Ezzamel and Willmott (1998) illustrates how the sanctions of consensus serves to more efficiently control the behaviour of individual workers. When some workers fail to meet the standards set by the team, they are sanctioned, criticized and disciplined by their own group. In creating teams, management establishes a system of self-management that more effectively governs the behaviour of workers than rational, bureaucratic models. The use of group norms to ensure that workers meet the objectives of the organization
provides managers with a powerful alternative to the traditional methods of ensuring worker compliance.

The Role of Unions

A critical examination of the issue of trust and commitment reveals that one has to carefully scrutinize the claims of managers. If one believes the managerial rhetoric, then the idea of increased trust and commitment between managers and workers is a positive thing. However, it remains unclear how workers truly benefit from the managerial rhetoric on the need to have increased trust and commitment. Indeed, the evidence suggests that management, not labour, benefits from programs that try to enhance trust and commitment. These employee involvement programs are designed to enhance managerial control over the workplace through harnessing of worker's 'tacit' knowledge of the work process, the use of fewer and more flexible job descriptions or self-managing work teams. To the extent that there is a union, these programs may be used to undermine and weaken worker solidarity by attempting to align the worker to the goals and objectives of the organization. In a very real sense then, an anti-union strategy can be consistent with attempts to increase trust between managers and workers.

One has to keep in mind that managerial rhetoric or ideology is tied to the structural imperatives of the capitalist system. Managers must fulfil a number of objectives: increased productivity, profitability, product quality and value for shareholders. They have to coordinate the necessary resources for production and ensure that labour carries out their goals. This raises the issue of authority and control. Either management establishes a system of formal rules to force labour to comply or it establishes normative grounds in which labour willingly cooperates with management. Increased trust between management and labour serves to reduce labour conflict and the subsequent costs that are entailed. Through the use of a variety of employee involvement
initiatives, management seeks to solidify this trust without giving up much actual control to labour. These programs also serve to undermine worker attachment to a union since the latter may act as a counterweight to management's attempts to control the labour process. However, it remains far from certain that management can be totally successful in its endeavor to increase trust and control over the workplace. These objectives may prove to be contradictory.

In conclusion, an examination of the pro-management position reveals that management wants to elicit the trust and commitment of its workers while eliminating middle management. This, of course, serves to reduce the costs of administration. In light of this, the various employee involvement programs are designed to enhance workers' allegiance to the organization and in the process reduce labour-management conflict by getting workers to identify with the organization.

The role for unions remains quite problematic. To the extent that unions can limit managerial authority then management may try to undercut the unions. On the other hand, it is an open question as to how committed management is to the maintenance of these programs over the long run. As Williamson (1985) and Miller (1991) have pointed out, these kinds of initiatives are difficult to sustain because there are incentives for one or more parties to alter the arrangement.

In addition, there is also the question of whether these initiatives provide a more humane workplace for workers. Do these programs provide workers with greater autonomy over their jobs? The critics of these initiatives would answer negatively. Employee involvement programs enhance managerial authority in the workforce by merely altering the forms of control. Management may increase the amount of autonomy that workers have but this autonomy is ultimately circumscribed. Management has to
ensure that the organization is highly productive and profitable which means that employee involvement initiatives will be designed to serve those ends. The evidence of Barker (1993) et al suggests that under a system of worker involvement, management benefits from the group controls that emerge among workers themselves. The power of peer pressure disciplines individual workers instead of managerial bureaucracy.

The management-supportive literature and the literature that is critical of it, leads us to pursue the answers to the following questions. These are:

1) What are some of the strategies and tactics that management employs to elicit trust and commitment from labour?

2) Do these employee involvement programs enhance organizational performance (productivity, product quality, profitability and fewer conflicts)?

3) Do these initiatives provide more satisfying work for workers?

4) To what extent can conflict be eliminated from the labour-management relationship? What are some of the outstanding issues that may enhance or detract from greater cooperation between managers and workers?
Chapter 3

In order to address the previously posed research questions and to assess the claims of the managerial based literature and the critical literature, the following methodology will be used. First, a meta-analysis that is a synthesis of previous research findings will be presented. Second, the responses to interviews with managers and workers representatives (union and non-union) will be analysed to determine how their workforce adjusted to technological and organizational change. Much of this technological and organizational change involves the creation of various forms of greater worker involvement and responsibility. With respect to this second point, the goal of the research is to assess the degree to which greater employee involvement resulted in greater worker satisfaction and greater productivity, as perceived by the interviewees.

Two approaches will be used to arrive at the answers to these questions. First, a systematic review of research will be presented. This meta-analysis should point to a preliminary formulation of answers. This will be followed by a content analysis of interview data drawn from a larger study dealing with labour policies and technological change. More specifically, data provided by interview responses of plant managers and workers' representatives in 16 telecommunications plants in Canada will be utilized. These interviews were conducted during the period 1991 to 1993.2

For the purposes of this study, the dependent variables are productivity and worker satisfaction. The independent variable is employee involvement. Employee involvement interacts with an 'intervening' variable that is crucial to understanding this hypothesized relationship: the level of trust.

2 The data is based upon interviews for a study on Technological Change and Labour Relations in Three Canadian Industries: Steel, Pulp and Paper and Telecommunications. The interviews were conducted by Joseph Smucker from Concordia University and Anthony C. Masi and Michael R. Smith from McGill University. The study was funded by the Social Sciences and Humanities Research Council (SSHRC).
While most interviews were conducted with single individuals, many of them were carried out in a group setting, involving several workers or more than one manager. The average length of time for the interviews was two hours. The interviews themselves focused on the process of technological and organizational change, with particular emphasis on workers' and unions' reactions to these transformations. They also included questions that dealt with the strategies management deployed in meeting variations in labour requirements (Smucker et al 1998; 436-437).

The critical literature includes a wide variety of case studies and surveys on the issues and outcomes of employee involvement in administrative decision-making. Ichniowski et al note that, "...no single study is likely to be convincing. The key to credible results is creating a collage of studies that use different designs with their own particular strengths and limitations." (1996: 312) In light of this observation, a variety of studies have been synthesized in order to improve the generalizability of the findings.

The Findings

In the literature review of managerial writers, these theorists attempted to describe the necessity for greater trust and cooperation between management and labour. Much of the managerial thrust stressed the need for greater employee involvement in the organization in order to enhance the viability of the firm and to achieve greater worker satisfaction. In this section, actual empirical research will be examined in order to validate or deny the assertions of organizational and managerial authors. Empirical studies of the actual effects of worker participation were selected on the basis that these
were the most recently published research on the effects of worker participation and its impact on worker satisfaction and productivity. In addition, these studies were selected because they utilized a variety of methodologies and approaches that could enhance the representativeness of the sample. The aim was to 'triangulate' by looking at the studies that utilized these different approaches to try confirm or disprove the relationship of employee involvement to productivity and worker satisfaction. Table 1 presents the main features and conclusions of these studies.

Milkman cautions researchers to avoid assuming that workers are the simple victims of managerial manipulation. In reference to the apparent appeal of teamwork, Milkman writes that:

Unless one believes that autoworkers are simply naive victims of managerial manipulation, the team concept's enormous popularity with the NUMMI workforce and the appeal of participatory rhetoric elsewhere suggest that lean production and other workplace reforms -even though their main purpose is to serve the needs of management-do offer some positive benefits to labor. (1997: 145)

Milkman points out the labour-management relations may not be a zero-sum game where one party loses while the other wins. One has to acknowledge that there are some tangible benefits for workers where there are opportunities to participate in the workplace.
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Melcher (1976) suggests that participation improves the acceptance of decisions and has an effect upon the consulted workers. His meta-analysis does not provide hard evidence upon satisfaction or productivity. The meta-analysis of Guzzo, Jette and Katzell (1985) supports the idea that participation has a positive impact upon productivity but the impact of participation remains unclear. Miller and Monge (1986) analyzed the role of participation in affecting work performance and job satisfaction. In doing so, they develop three models that attempt to explain the different dimensions of the problem.

The first is a cognitive model that proposes that participation leads to increases in productivity through bringing high quality information to decisions and increasing knowledge at times of implementation. (Miller and Monge 1986: 730) The cognitive model predicts that the effects of participation on the productivity of an individual will be the strongest for decisions that draw on their expertise. Secondly, it is predicted that participation will not have a direct influence on job satisfaction; it will actually mediate that effect. Finally, the model suggests that participation in specific decisions is necessary for increased productivity. (Miller and Monge 1986: 370)
The *affective* model proposes that participation will satisfy the higher order needs of employees. (Miller and Monge 1986: 730-731) By having greater involvement in the decisions that affect their work, the level of satisfaction with their jobs will increase. The model assumes that improved attitudes will reduce resistance to change and improve productivity by creating a positive working environment. One of the key assumptions of this model is that it states that workers can meet their 'higher-order' needs at the workplace.

The final model is a *contingent* one in which there is no single model of participation that is appropriate for all employees in all organizations. (Miller and Monge 1986: 731-732) This model argues that employees who value participation and have high needs for independence will be the most positively influenced by employee involvement programs.

In a series of case studies on innovative work practices, Jackson and Di Giacomo (1998: 81-88) conclude that employee involvement programs can lead to positive outcomes for both management and labour. Management benefits from improved levels of productivity and profitability, customer satisfaction, improved labour relations, reduced numbers of grievances and the retention of employees. Labour benefits from higher worker morale and improved job satisfaction.

As illustrated in Table 1, one study was a literature review, three studies were meta-analyses, one study used a comparative approach, two studies were based upon participant observation, and one study used a combination of interviews and surveys. In five studies, employee involvement programs seemed to have a positive impact upon productivity. In one study, the effect of employee involvement programs upon
productivity varied according to the type of involvement. In yet another analysis, the relationship seemed to be unclear. In another study, the issue of productivity and employee involvement was not addressed.

In terms of the effect of employee involvement upon worker satisfaction, the table indicates that in two studies, employee involvement had a negative impact upon worker satisfaction. These programs tended to increase the level of worker dissatisfaction with their jobs. In one study, there seemed to be increased job satisfaction but there were some workers who dissented. In the comparative analysis, there seemed to be increased job satisfaction in one plant and increased dissatisfaction in the other plant. One study indicated that job satisfaction varied according to the type of employee involvement initiative. In another analysis, it was indicated that the relationship between employee involvement programs remained unclear. In two other studies, the table indicates that there seemed to be a positive relationship between employee involvement programs and worker satisfaction. In general, the relationship between employee involvement programs and increased worker satisfaction is unclear.

According to Miller and Monge (1986), the evidence suggests that there is support for the affective and cognitive models and very little support for the contingency model of participation. There were 41 studies that measured the link between productivity and satisfaction and, in general, there was support of the affective model of participation. (Miller and Monge 1986: 738) Out of 25 studies on the link between participation and productivity, there was significant support for the cognitive model of participation. Miller and Monge (1986) conclude that, participation has an effect on both job satisfaction and productivity, although the effect on the former is somewhat stronger. In sum, there seems to be some empirical support for the idea that management and labour can benefit from increased employee involvement in the workplace.
Miller and Monge (1986) caution that they used only published materials for their study. Their study may place too much emphasis on narrowly defined empirical studies while eliminating more interpretive ones. It would have been interesting if the authors incorporated these studies into their work while indicating these interpretive and methodological difficulties.

Cotton et al's (1988) meta-analysis subdivided participation into six categories; participation in work decisions, consultative participation, short-term participation, informal participation, employee ownership and representative participation. Participation in work decisions refers to formal employee involvement initiatives where workers have a great deal of influence on decisions that focus on the work itself. (Cotton et al 1988: 12) In their study, consultative participation refers to situations where employees participate in long-term, formal and direct participation. The content of the work category focuses on job issues. The element of short-term participation refers to employee involvement initiatives of limited duration. Informal participation consists of employee involvement programs that are conducted on an informal basis through the interpersonal relationships between managers and employees. Employee ownership is a formal but indirect method of employee involvement. This kind of initiative can involve the use of employee stock ownership programs that give shares of the organization to the workforce. Representative participation refers to formal and indirect participation in the organization. Workers participate through elected representatives to a governing council or board of directors.

In terms of productivity, a majority of the studies attributed causal relationships to participation in work decisions, informal participation and employee ownership. (Cotton et al 1988: 11) The studies for consultative participation proved to be
inconclusive while studies on representative participation found no effect between participation and performance. In terms of the effects of participation upon satisfaction, the studies were found to be mixed for participation in work decisions and inconclusive for consultative participation. While there is some evidence that suggests that both sides benefit from employee involvement, the authors conclude that the effects of participation on satisfaction and performance vary according to form. Indeed, Wagner argues that participation can have statistically significant effects on performance and satisfaction, but the size of these effects is small enough to raise concerns about the practical efficacy of these programs. (1994: 312) Examining the findings of ten recent reviews of participation research, Wagner found that the results were statistically small enough to question the practical significance of the effects of participation on satisfaction and performance. In short, it was difficult to draw hard conclusions about the impact of employee involvement on performance and job satisfaction.

In conclusion, management has resorted to the use of employee involvement programs in order to win the trust and cooperation of the workforce. To the extent that conflict can be costly, management may try to implement one or more of the initiatives that were previously discussed. However, management has to obtain its objectives of improved product quality, enhanced worker productivity, and greater productivity. These objectives will continuously influence management's approach with its workforce. The need to increase worker satisfaction will ultimately be a secondary goal for management. It is not clear that these programs enhance worker satisfaction and improve organizational productivity. Some of the evidence from these studies suggests that effects of employee involvement on productivity and job satisfaction are mixed. Critics of employee involvement programs suggest that they represent seductive and less costly means of controlling labour and the work process. These programs seldom concede authority or autonomy to workers. Managerial attempts to elicit the trust and cooperation of workers
are oriented towards profit-maximization, improved levels of productivity and competitive product quality.

One should not dismiss participatory programs too quickly. There is evidence that they can be appealing for workers. Milkman, for example, points out that:

Workers themselves ... are remarkably enthusiastic about the idea of participating in decision-making processes historically monopolized by management. For many this prospect has intrinsic appeal especially compared to traditional American managerial methods—even when participation is restricted to a narrow arena, such as helping to streamline the production process or otherwise raise productivity. (1997: 145)

Two Examples of Changing Effects over Time: The Automobile Industry

As stated previously, one of the main problems with these meta-analyses is that they fail to capture the qualitative experience of workers within the workplace. In some of these studies, there is evidence that suggests that at least some workers benefit from participating in employee involvement programs. Brown and Reich's comparative analysis of two GM plants (including New United Motors Manufacturing Inc [NUMMI]) suggests that worker commitment and productivity were high for the NUMMI plant. Brown and Reich noted that, "The two sides succeeded in building increasing levels of commitment to each other through a process that involved risk-taking and trust-building between the two parties." (1989: 34) It is also worth noting that the company had also committed to training and employment security even during periods of sluggish sales. (Brown and Reich 1989: 34) In contrast, the GM Van Nuys plant suffered from lower productivity and greater dissatisfaction due to a climate of adversarialism that was entrenched in labour-management relations.
In a later analysis of the NUMMI automotive plant in California, some workers had some positive evaluations of the new managerial approach. (Adler 1993) Some workers emphasized the effect that participation had on self-esteem and workers pride. One worker contrasted his experience at NUMMI and GM-Fremont:

When I was with GM I hated management and everything about the plant. Work was just an eight-hour interruption in my day. I couldn't have cared less if somebody had driven a forklift right through a wall just to break the monotony. And sometimes we did. At NUMMI, I am constantly learning new things. Right now, I'm part of the 1989 Nova project team. All the homework and extra work is rough, but it's exciting to be constantly tackling new problems. At GM, they left me in the truck tire-mounting department for 8 years of mind-numbing repetition. It was degrading! (Adler 1993: 148)

One of the most appealing features of the NUMMI plant was the trust and respect that management apparently demonstrated to its workers in terms of attitudes towards worker suggestions and ideas and in commitments to stable long-term employment. One worker stated that:

At NUMMI, we finally found a management whose goals were compatible with ours --build quality cars and provide stable employment. The U.S. companies would never say that. They only have one goal -- stockholder value. As long as they think that way, industrial relations have to be adversarial. The Japanese are also committed to financial returns, but they have a clear idea of how stable employment will help them get there -- and a commitment to that path. (Adler 1993: 151)

Numerous examples of successful labour-management ventures have been cited in the automobile industry; NUMMI and GM-SATURN are ones that readily come to mind. Even here, one has to interpret the claims of pro-management theorists carefully. This is especially the case with General Motors, which has had a long history of labour strife including the 1998 strike that lasted for just a little over six weeks. The case of General Motors suggests that the trust that is necessary to support employee involvement
initiatives is fragile and can be reversed by actions that one party finds to be unacceptable. Nonetheless, management will still continue to seek its objectives by using 'technique' but also 'authority' when it is absolutely necessary. Managerial attempts to elicit the trust and commitment from automobile workers have met with mixed results.

NUMMI has been touted as a successful model of labour-management cooperation. (Brown and Reich 1989; Adler 1993) The team concept is central to NUMMI's production system. All workers in the plant (hourly and salaried) are organized into teams of five to eight members. According to Brown and Reich:

The teams divide up and rotate jobs among their members; they meet periodically (on average, every two weeks) to discuss how to improve the work, reduce the number of tasks, improve quality and so forth. Teams can make limited shopfloor decisions, such as how frequently to rotate jobs among the members. (1989: 27)

Organizational flexibility is also enhanced by maintaining only one job classification among the production workers and the reduction of seniority as the key element in allocating jobs to workers. In addition, the number of skill classifications was sharply reduced. As Brown and Reich note, "The emphasis is on worker flexibility (rather than specialization) and on increased involvement in the production process." (1989: 28)

In Adler's analysis of NUMMI, however, he suggests that this involvement doesn't necessarily increase worker autonomy or shift power to the union. (Adler 1993) In reference to the issue of worker autonomy, Adler writes that,

The interviews at NUMMI, however, suggest that autonomy is not a critical motivating characteristic of jobs. NUMMI's 'team concept' had little of the emphasis on team autonomy that characterizes many work design efforts ...teams at NUMMI were tightly coupled with teams upstream and downstream through the [kanban] system; their work methods were tightly coupled with the corresponding team on other shifts;
and their problem-solving efforts linked them tightly to suppliers and internal staff. (1993: 174)

If worker autonomy is not a key motivation for structuring jobs along the lines of the team concept then one has to look at other managerial motivations for instituting this kind of employee involvement. In another study of a Japanese transplant in North America, Rinehart writes that:

All the auto assembly transplants have tried to select and nurture committed workforces. Committed workers make no distinction between 'them and us', see their interests as identical to those of the employer, show up for work faithfully, and are willing to toil assiduously to ensure the company's success. Committed workers display initiative rather than indifference, cooperation rather than resistance. Committed workers see no necessity for strikes. They trust management and uncritically accept company policies and practices (emphasis mine). (1998: 159)

The goal of management is to ensure the achievement of its objectives (profits, productivity and efficiency) with as little resistance or conflict as possible. In order to achieve this, management has resorted to the use of techniques that will shift the balance of power away from unionized and non-unionized workers alike. Management seeks to intensify control over the work process in order to achieve their objectives. The rhetoric of employee involvement sounds seductive but as numerous studies point out, management promises more than is willing to deliver. The work environment becomes much more stressful as management intensifies the amount and the quality of work demanded from the workforce. The level of stress has intensified in these empowered environments, as workers report having to work harder, multitask and problem-solve.

Rinehart's study of the CAMI plant in Ingersoll, Ontario suggests that the level of worker commitment declined dramatically over the time that the research was conducted. When asked if working at CAMI was stressful, 40.8% (n=29) answered in the affirmative in the first round of questioning. By the fourth and final round, 83.1% (n=64)
acknowledged that work at CAMI was stressful. The enthusiasm for the CAMI plant declined substantially as well, with a majority of workers stating that they found working for CAMI was not substantially different from working at any other corporation. (Rinehart 1997: 160) In referring to CAMI’s promised ideals of a more humane work environment, Rinehart (1997: 176) states that, "...the promises collided with a production system oriented to maximum output with minimum input."

The situation at CAMI became one of management-by-stress whereby the work was sharply intensified. Rinehart noted that:

They (workers) learned that the LP version of job enlargement - responsibility for in-line inspection, stocking small parts, reporting faulty equipment and housekeeping - required no special training, and that heavy work loads left them little of no time to handle these indirect tasks anyway. Workers discovered that job rotation within teams, which although practiced regularly, was not equivalent to skill development and multitasking but rather to multitasking - a different phenomenon altogether. (1994: 760)

The Japanese transplants often utilized a process of continuous improvement (kaizen) that constantly sought to improve plant operations with an eye towards cost reductions. Rinehart states that, "Workers found out that their participation in the continuous improvement of operations was circumscribed by the goals of cost reduction and work intensification rather than the construction of safer, easier or more interesting jobs." (1994: 760) Instead of an environment that promised greater trust, communication, openness and more interesting jobs, workers were faced with a more coercive, stressful and potentially dangerous environment. In terms of autonomy and control over their work, shopfloor workers were actually losing the little power that they might have had over their jobs.

Lewchuk, Roberts and McDonald (1996) support the claims of critics of management’s assertions on trust, commitment and employee empowerment. They noted
that 75% of the sample reported that it would be difficult to change the things they didn't like about their jobs. Approximately 60% of workers reported that they had few chances to vary the pace of the work over the course of the day. Another 57% of workers surveyed, indicated that they could train someone to perform their tasks within a few hours. In other words, the jobs required very little training while workers indicated that they lack enough control and autonomy over their jobs while management continued to monitor performance. Thus, worker control and autonomy over their jobs remains quite limited according to these surveyed workers.

In the same study, 75% of the sampled workers indicated that their workloads were too heavy, had to be done by few people or in too little time. Most workers also indicated that they worked in pain or physical discomfort half the days in a given month. The level of stress was also quite high with 53% of workers stating that in comparison with a couple of years past; their current job was more tense. Most importantly, a majority of workers reported concern about losing their jobs within the next three years. The evidence is in contrast to the picture that managers, consultants and business intellectuals posit as the model for the 21st century; a trusting, cooperative labour-management partnership that promises greater flexibility, profitability and efficiency for management and a more humane and democratic workplace for labour.

On September 14, 1992, the local Canadian Automobile Workers (CAW) branch went on strike with 98.2% of the membership supporting the executive. The strike lasted until October 19, when the membership won important gains in wages, benefits and improved working conditions. The president of CAW, Buzz Hargrove noted that, "If the company's rhetoric of fairness, worker input and commitment to a non-confrontational relationship with our union had been meaningful, this company would never have forced this strike. Obviously it wasn't." (Rinehart 1997: 7) Management's commitment to its objectives took priority over the rhetoric of respecting the dignity of workers. Instead of
safer work conditions and more control over their work, the workers were subjected to a system of work intensification, greater levels of stress and a higher risk of injuries. In the case of CAMI, these elements contributed to worker resistance to management's aims and objectives in the form of a strike. One cannot describe this state of affairs as conducive to greater trust and cooperation between CAMI and the CAW. However, this resistance occurred within the context of a unionized environment. Does this hold true for non-unionized plants?

Graham's (1995) participant-observation study of a GM-Mazda transplant suggests that non-union workers faced the same kinds of stress, job insecurities and pressure as unionized workers. Graham noted that:

Pre-employment selection, orientation and training for new workers, the team concept, a philosophy of kaizen, shaping shopfloor culture from the top-down, a computerized assembly line, and just-in-time production comprise the seven components of a multidimensional framework which serves as the basis for SIA's system of compliance ...all seven dimensions create a framework that forms a kind of invisible 'iron cage' of control over individual workers. (1995: 97)

Graham states that, "During the six months that I worked in that plant I witnessed a visible change in worker behaviour. Over a period of time, team members withdrew their active participation from company rituals and resorted to open acts of defiance and resistance against management and company philosophy." (1995: 117) For example, where management unilaterally scheduled overtime, workers refused. The female team members were particularly resistant to managerial demands for unscheduled overtime because they had to attend to domestic responsibilities.

Sabotage was also another form of resistance. Some teams would cause the assembly line to shut down for periods at a time. Managers had to scramble to find out what the problem was. In general, Graham concluded that, "Many things that had a
direct effect on workers lives such as overtime, line speed, and shift rotation, were not up for discussion. The essence of participation workers were granted involved, at best, improving quality; at worst and more commonly, it involved speeding up their jobs.” (1995: 125)

The examples of CAMI and Subaru-Isuzu provide some empirical counterweight against the claims of the managerial literature. It appears that the level of distrust between managers and workers has not abated under a system of employee involvement. Management has defined the agenda in such a way so as to preclude the interests of union and non-unionized workers alike. Management is open to employee suggestions that may improve product quality, efficiency and profitability but has a tendency to ignore the issues of workers. Power and control remain issues in labour-management relations despite the claim that the adversarial approach is dead. On the contrary, the evidence presented suggests that the adversarial nature of labour-management relations is very much alive.

The CAMI, NUMMI studies suggest that there can be a tension between the claims of managerial theorists and the experiences of the workers. Under a system of production that emphasized the maximum amount of production with as few employees as possible, workers reported that they worked harder and that their input into the production process was limited. Over time, the level of worker commitment (and trust) declined to the point where labour-management conflict intensified. It is not inevitable that management and labour can cooperate, as the evidence from the telecommunications industry will demonstrate. Each side has its own interests that it will seek to maximize at the expense of the other party. In general, it has been management that will try to define and impose its own objectives within the employment relationship. Facing pressures to maximize the profitability of the firm, management will always place this objective as its key priority. If this requires that the work process be intensified even to the detriment of
the workers then management will do so. Obviously, this places a great strain upon its ability to get labour to trust them. This organizational dilemma can also be seen in other industries including the telecommunications industry.

*Interview Data from Telecommunications Plants*

The telecommunications industry has been cited as one of the key industries that epitomizes the nature of globalization. Telecommunications is defined as the transmission of information from one point to another. This can occur through a transmitter to a receiver or in both directions. There are two distinct branches of the telecommunications industry: services and equipment. It has been seen as an industry that is mobile and is less restricted to national borders than pulp and paper or the steel industry. (Johansson 1990) Unlike the previously mentioned industries, telecommunications is not organized for continuous production with the consequence that it is not necessary to maintain a certain level of manpower regardless of capacity utilization. The industry has greater flexibility in the organization of work so employment patterns do vary to a greater degree.

Johansson (1990) notes that there have been radical changes in switchboard systems with electronic systems replacing the electromechanical switch. There have also been numerous advances made in transmission equipment with the shift from coaxial cable to fiber optics. This advance was particularly significant because utilizing light waves as transmitters has improved audibility, information capacity, as well as improving the quality of computer services on ordinary networks. Furthermore, there were also significant advances made in the field of mobile and cellular communications.

Over time, the production process is becoming less labour intensive. There is increasing demand for telecommunication equipment in Asia but government deregulation and lowered barriers to trade has intensified competition in this field.
Canada has improved its position as an exporter of telecommunications to the point that it was rated amongst the top five exporters in this field. In the 1990's, there seemed to be a move towards more software-oriented products which will have the impact of reducing the demand for labour even further. In the hardware sector, Johansson noted that a trend of restructurations and plant shutdowns would intensify in this decade.

As noted, the demand for labour would be decreasing over the long run. During the period 1978-1988, employment rose 58% but has leveled off since that period. (Johansson 1990) Since 1989, the industry has been experiencing continual change in production technology and organizational innovations. In general, there has been employment growth among white-collar workers while the number of production workers has declined. In general, it has been the blue-collar workforce that has been hit hard by the numerous structural and technological changes in the telecommunications industry.

In this section, the key issues in the Canadian telecommunications industry will be examined with respect to the degree of trust that exists between managers and workers. Management is attempting to encourage workers to trust them but interviews with managers and union leaders reveals that there are a significant number of issues that may well prevent a genuine cooperative relationship from emerging. From the union/worker point of view, the shift towards greater workplace flexibility, fewer job descriptions, and increased use of contract and temporary workers seems to contradict the stated claims of managers. To the extent that unions inhibit flexibility, they are regarded tolerantly at best, and with distrust and contempt at worst. Despite the claims of many managerial consultants and academics, the workplace remains a highly politicized arena of conflict whereby management seeks control of the labour process by using one means or another.
As Table 2 indicates, nearly all of the sixteen telecommunications plants in the sample were undergoing or had recently undergone significant changes in their deployment of labour. Nearly all of them had some type of worker incentive scheme, and most of them had recently experienced significant changes in the organization of labour. Twelve of the 16 plants had redefined their job descriptions in order to enhance internal labour flexibility. Similarly, 75% of the plants had implemented work teams. In terms of organizational restructuring, 63% of the surveyed plants indicated that they had revised their management structures. A majority (56%) of the plants had begun to train their workers in order to develop new skills. Indeed, more than two-thirds of the surveyed plants had begun to train their workers in a variety of skills.

Table 2

<table>
<thead>
<tr>
<th>Strategies</th>
<th>(N and%) of Plants Using EI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Redefinition</td>
<td>12 (75)</td>
</tr>
<tr>
<td>Worker Incentive Schemes</td>
<td>14 (88)</td>
</tr>
<tr>
<td>Work Teams</td>
<td>12 (75)</td>
</tr>
<tr>
<td>Revised Management Structures</td>
<td>10 (63)</td>
</tr>
<tr>
<td>New Skills Training</td>
<td>11 (69)</td>
</tr>
<tr>
<td>Multi-Skills Training</td>
<td>9 (56)</td>
</tr>
</tbody>
</table>

The empirical evidence suggests that such organizations are putting a premium upon internal labour flexibility and obtaining a more committed labour force. The use of worker incentive schemes and work teams provides some evidence that firms are trying, to a greater or lesser degree, to elicit greater trust and cooperation from labour.

**Workplace Flexibility**

In the interviews with telecommunications managers, one of the key buzzwords that emerges is the need for greater flexibility on the shopfloor. In this view, collective agreements should be more informal. Management should be allowed to collapse job descriptions thereby allowing the workforce to be deployed as it sees fit. In doing this, management claims that a more flexible workforce can be trained in a whole variety of skills (multi-skilling) instead of retaining those that are just related to one skill. A large number of the plants surveyed had implemented or wanted to implement work teams. Finally, management also wanted the ability to use subcontractors and temporary workers for some kinds of jobs. The basic managerial assumption was that increased flexibility would enhance the productivity and profitability of the firm.

One area that typifies a shift towards flexibility is in the area of job descriptions. In general, management desires fewer and broader job classifications in order to move workers from one area of the plant to another. One manager stated that, "We are rewriting all descriptions except for engineers. They are generic. For office workers, we have gone from 300 positions and grades down to 20...The new plan is designed to increase flexibility of work assignments - to develop 'cross-skills.'" Workers must become trained to do a wide variety of tasks and not just the tasks associated with their original work role. Another manager complained that, "We still have hundreds of job

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3 In this section, unless otherwise specified, the selected quotes from managerial and worker representatives have been taken from *Technological Change and Labour Relations in Three Canadian Industries: Steel, Pulp and Paper and Telecommunications*. The interviews were conducted by Joseph Smucker from Concordia University and Anthony C. Masi and Michael R. Smith from McGill University.
descriptions. I'd like only 12 or so. We are studying this now. The union will fight this. They don't want flexibility... We think they (job descriptions) are too narrow."

Respondents representing workers in non-unionized plants indicated considerable eagerness to be involved in these new organizational models. They tended to see them as offering more variety in work and autonomy in carrying it out.

However, the issue of broader job descriptions is a very contentious issue for unions as it does strike at the heart of the seniority principle. The latter is a key element whereby workers can exert some control over the type and nature of the work that they may be required to do. One group of representatives stated:

The management can write the job requirements in such a way that the old, manual workers with high seniority can't qualify. That way they can get around the seniority rules and get 'their' people in. We did have a grievance on that but we lost it in the labor court on the grounds that the worker with more seniority didn't have a sufficient background.

Critical labour theorists have charged that management is not inhibited from moving workers from one part of workplace to another. Parker states that,

The current classification system does not prevent a flexible approach to manufacturing or the use of new methods. But it does provide workers individually and their union with a small amount of power. The attack on classifications is an attack on that power. (1985: 29)

For Parker and other critics, a number of crucial union issues are at stake in management's attacks on job classifications. In addition to providing some measure of power on the shopfloor, the job classification system allows a measure of protection against managerial attempts to combine two jobs into one that may intensify work and increase job loss. Job classifications also provide a buffer against moving workers to unfamiliar jobs with the potential health and safety hazards. All of the above-mentioned factors may serve as points of contention between unionized workers and management.
The shift towards greater flexibility also manifests itself in the use of temporary workers and subcontractors to perform some work. A number of managers indicated that they used subcontractors and temporary workers as a buffer against the peaks and valleys of the market. When demand is high, the number of temporary workers can be increased so as to meet it and when there is a decline in demand, these workers can be easily displaced. The utilization of temporary workers is an attractive option for managers, as they do not have to pay fringe benefits and can be fired almost at will. In a sense, what managers are attempting to do is use a flexible 'periphery' of contingent workers to meet fluctuating demand while maintaining a 'core' of relatively highly paid permanent workers. It's clear that management benefits from this arrangement but it is a source of tension for unionized workers in particular.

Interviews with workers themselves revealed an ambivalent stance toward temporary workers. They saw no conflict as long as their own jobs were secure and they could define them as necessary during periods of high product demand. However, they were also aware of the possibility that increased use of temporary workers could jeopardize their own jobs.

The use of temporary workers has been viewed negatively by a number of the unions in the telecommunications industry. One union representative was critical of management's attempts to circumvent the collective agreement:

This was a big issue in 1988. The union doesn't allow this. But it does support short duration of using recalled workers for an agreed time. This was put into practice in 1990. Most of the workers eventually stayed. This will become a bigger problem. The union will never agree to temporary workers.

In general, union representatives seemed to have a number of concerns about management's use of temporary workers. While accepting the need for some 'flexibility',
they were concerned about future attempts to undermine the union with the use of these workers. Another union representative noted that, "There was a system whereby the company will hire 'helpers' at $10.00 entry level. They pay union dues but are not members and the company pays no fringe benefits. They can do this up to 178 days of employment. It is a cost-saving strategy." He noted that the 'helpers' in this plant would do the carpentry, electrical or plumbing work which would upset the union since most of those sub-contractors were former employees who had taken early retirement from the company.

From the above statements, it is clear that management is driven by the goals of profitability, productivity and efficiency. In order to achieve this, management claims that it needs greater flexibility to utilize labour according to the dictates of market demand. In order to achieve greater flexibility, management seems willing to work around the collective bargaining, when there is a union, or to exploit loopholes in those agreements when necessary. Invariably, this will create tensions in a unionized environment because these kinds of unilateral actions will create a level of distrust with the employees of the firm. Despite the managerial rhetoric on the need to foster greater trust with workers (non-union and union alike), management's actions will ultimately focus on 'the bottom line'. If this requires the hiring of temporary workers over the objections of union and non-unionized workforces alike, then management will do it. It is doubtful that these kinds of actions can foster greater trust and commitment from workers.

*Employment Security*

The issue of job security is one area where this attitude most clearly manifests itself. For workers, this has become a central issue of concern. In the unionized workplaces, it has become a key issue in the collective bargaining process especially
when management is deploying temporary workers. The basic union strategy has been to fight management's attempts to circumvent collective agreements by attempting to place greater restrictions on the use of these 'flexible' workers and to secure guarantees of employment security. It is far from certain that management will accept the union's position on these issues.

While discussing the issue of stress and lifetime employment (employment security), one manager stated that, "Stress is a part of reality. There's stress from pressure from global competition; from group-peer relationships; from fear of job loss. But stress brings realism. Lifetime employment is ludicrous. A concern about the future is an impetus to do better. One can choose to cooperate or not." For many managers, the goals of productivity, efficiency and profitability are their fundamental objectives in spite of the rhetoric of trust and the need for greater employee involvement in the workplace.

**Employee Involvement Initiatives**

A number of firms have implemented, to some degree, employee involvement programs. Interviews with workers in non-unionized plants indicated that many were quite enthusiastic in their support of work teams, at least in principal. One worker stated that in her plant,

"...everybody likes it, people can have 'input' and most prefer this approach...Some people feel more pressure; others relieved that they can express themselves...Generally everyone likes this plan better than the old one."

Some workers complained, however, about what they regarded as the unnecessary presence of management personnel (which management preferred to call 'coaches') and they noted the difficulties of filling in for those individuals who were unable to complete work objectives or who failed to be at work due to sickness, family
obligations or other reasons. In describing the industrial relations of one plant, one worker complained that managers

"...don't know that much about the work that needs to be done. They come up from the ranks but they don't empathize with the new system. They lose control. They find it hard to become "coaches" rather than remain managers."

In reference to the potential conflicts between increased work pressures and domestic responsibilities, another worker complained about the lack of replacements when there are leaves, "Almost all of the leaves are for family reasons. Management is not likely to do anything about this."

While there were skeptics about these work designs the skepticism was directed towards their actual enactment rather than the organizational designs themselves. Some workers seemed to take considerable pride in viewing themselves as "entrepreneurs", who could exercise their own initiatives within the workplace. In one plant, one worker noted that, "Almost 50% of the employees are driven by a sense of making a difference...I used to be so shy, I wouldn't speak. Now I just say what I think."

Indeed, what was striking among the respondents in the non-union plants, was the frequency of expressions of distrust toward unions; that it was unions which were preventing the development of a more secure and congenial workplace. One worker suggested that,

"People are well treated here...only the isolated individual is interested in unions." Another skeptical worker stated that, "...wages may be higher but, you would have to pay dues and be forced to strike. I don't care for it. A union would hurt the company."

It is, of course, possible that these responses were shaped by the relative novelty of these work designs and that with time, disillusionment would set in as Milkman (1997), Rinehart (1997) and Barker (1993) suggested in their research findings.
Among some of the union representatives who were interviewed, there was some concern that the team concept seeks to undermine the union by getting workers to go to their 'coaches' instead of the union in order to solve their problems. One representative stated that,

"The company is going through its 'excellence' drive which includes the team concept. The union believes the teams reduce union influence because teams are offered incentives, awards, to convince people to go to the 'coach' (usually mid-level managers) rather than the union.

In reference to gainsharing, another union representative opposed the usage of it as an incentive to motivate workers,

"There is the old company suggestion plan. Workers contribute to it all time ...the union reminds the members that some suggestions may jeopardize their jobs."

Some union members seem to realize that management has ulterior motives in using these types of employee involvement programs and are somewhat skeptical of management's attempts to get workers to trust them.

Some of these representatives have reason to be skeptical since a number of managers who were interviewed tended to be opposed to unions in their plants. When asked whether he preferred to deal with workers or the union, one manager stated that, "There are no benefits with unions. They are destructive." One common accusation that is made against the unions is that they are inflexible, obstructionist and legalistic in their approach on the shopfloor. Another manager suggested that,

We need to overcome the union's rigidity and the problems in relating to the union. The CAW doesn't care if they destroy plants if it serves their ideology. The union always refers to 'language' in the collective agreement. You should be able to write all
you need on one sheet of paper and then trust each other. They want everything written out. They make the whole process rigid (emphasis mine)."

An implicit assumption in this statement is that if there were no unions present then management and workers could trust each other and the work environment would be free of conflict.

**Summary**

On the whole, it is not clear whether participation will have the desired effects on organizational effectiveness. Some of the empirical studies suggest that meaningful participation in the work process has positive effects on worker satisfaction but this does not necessarily result in higher rates of productivity. This has important implications for the pro-management position regarding the employment relationship. Many of the managerial theorists have not provided an empirical basis for their claims about the need for employee involvement to achieve the aims of the firm. Much of the evidence is anecdotal and based upon case studies that are open to much methodological criticism. This is not to say that participation cannot work under any conditions, one must specify under what conditions participation will provide a more satisfying work environment for workers while achieving the aims of management.

One of the conditions that might enhance the effectiveness of employee involvement programs is a managerial commitment to *employment security*. If management wishes to gain the trust and commitment of its workers then, it has to provide something tangible in return. Many authors have stressed the need for guarantees that workers will not lose their jobs. (Miller 1992; Streeck 1992; Adler 1993; Levine 1994)

The example of Germany and its policy of Co-Determination suggests that it is possible to provide incentives that encourage greater cooperation as well as job security
(Streeck 1992). Under Co-Determination, there is a system of centralized bargaining between trade unions and employers associations. It is much more difficult to fire workers, unless the employers have met just-cause requirements. In terms of work reorganization, employers are required to consult worker representatives about these changes and their consequences. In the case of firings, there are mandatory severance payments that are made to workers who are 'unjustly' fired and that cushion economic hardships that result from workforce reductions. In short, the policy of Co-Determination makes it more expensive for firms to lay off workers while at the same time, providing for a greater degree of internal labour market flexibility.

While the German approach to labour-management cooperation might not be suitable for the North American context, one can still learn some important lessons. One of the most important lessons is that there must be institutional incentives that prevent both sides (and in particular, management) from acting opportunistically. Management cannot simply create and then withdraw employee involvement programs according to their whims. Nor can management engage in corporate downsizing while asking for the trust and commitment from an overworked workforce. If genuine cooperation is desired then management must be constrained in some manner in order that a more level playing field can be established between management and labour. This means that there is an important role for the State in enhancing genuine cooperation. However, it remains far from certain that North American managers would want to give up much of their authority and control over the workplace.

As far as labour is concerned, there is an appeal to some of these participatory programs that management has proposed and has tried to implement. However, as time goes on, the enthusiasm for these programs has declined as workers have found themselves working harder as their jobs are intensified. With fewer workers in the firm, they have been asked to trust and commit themselves to firms that will not offer
employment security guarantees. With time, worker commitment can decline and conflict can appear. The CAMI plant was touted as an inspirational example of employer-employee cooperation until the CAW went on strike in the fall of 1992. The promises of a more satisfying workplace seem to remain unfulfilled. Adler's study of the effectiveness of employee involvement programs at NUMMI suggests that tensions and conflicts between management and labour continue.

In the final analysis, labour-management cooperation is simply seen, by management, as means to further the aims and objectives of the organization. Managers will emphasize strategies that will support the goals of increased productivity, efficiency and profitability. The use of corporate downsizing remains a short-term option that can accomplish these objectives. The telecommunications industry has seen a great deal of employment instability at the plant level over the last few years and this has been reflected in the insecurity that workers have reported in the interviews. Once again, the issue of employment security looms large in the labour-management relationships. (Kanter 1983; Miller 1992; Streeck 1992; Kochan and Osterman 1994; Levine 1994)

In the writings of managerial commentators, it has been argued that a more participative environment is needed in order to reconcile the interests of management and labour. Implied in their writings is the need for consensus and not conflict. Nonetheless, this thematic examination of the issues of contention between management and labour demonstrates that these tensions may continue to permeate the labour-management relationship. It is far from clear that managerial theorists will achieve their objectives. Management may honestly think that they are empowering their workers by trusting them and granting them greater autonomy but these concessions are made on their terms. As long as these issues are related to production matters and fail to address worker concerns about employment security, the impact of technological change or the pace of production,
then management is effectively circumscribing the nature and the extent of worker autonomy. By default, management retains control over the labour process.

Gerlach argues that, "Authority must continually work to shape organizational experience in ways that reinforce legitimacy. Command is vulnerable to changing values and changing experiences, which can undermine shared values." (1997: 32) When this occurs, managers look to 'technique' to try and strengthen control over the workplace and the workers themselves. In Gerlach's view, these 'techniques' of organizational power concern the concrete organization, "....practices that shape, (and) control behaviour for the benefit of those who employ the technique...." (1997: 32) In other words, the need to create a common belief system, to increase employee trust of management and the utilization of employee involvement programs can be viewed as 'techniques' that actually reassert managerial authority over labour. These programs seek to shape and control the behaviour of workers on the shopfloor. However, it remains an open and empirical question as to whether or not management will be fully successful in this endeavor. The case of the automobile industry is a fairly good example of uncertain outcomes for managerial objectives.

While management claimed that it is empowering workers by granting them more autonomy, in fact it was merely shifting the nature of control in the workplace. Management may not be want to maintain an expensive bureaucratic structure to control and discipline its workforce, but it still has to ensure that workers carry out their tasks. The work of Barker (1993), Ezzamel and Willmott (1998), and Sewell (1998) suggests how a system of concertive control provides workers with actual control over many aspects of the work process but severely constrains the individual worker and may at times be more restrictive than the bureaucratic model of control. It is management that benefits from a system of concertive control because the costs arising from bureaucratic control are reduced while productivity may be increased. Management may think that it
is empowering its workforce, but in most cases, it continues to define the agenda of organizational change in line with its own goals and objectives while labour has only a muted voice in these matters.

The evidence from the telecommunications and automobile industries suggest that there is a conflict between labour and management on a number of issues. Both labour and management have interests that will conflict with each other. Management wants greater organizational flexibility to deploy labour as it sees fit, while labour wants greater employment security and a more democratic workplace. Where there is a union, there will be an emphasis upon maintaining the seniority system and the job classification system. Management wants increased productivity and greater profitability while keeping costs low. Labour has an interest in increasing its share of the profits of the organization.

This is not to say that cooperation is impossible since there are instances of labour and management cooperating. Nonetheless, the history of labour-management relations suggests that cooperation is often punctuated by long periods of tension and conflict. It is difficult to see how conflict can be entirely eliminated from the labour-management relationship.
Chapter 4

The goal of this thesis was to analyze a number of issues that have emerged out of recent innovations in management-labour relations. The concept of trust provided the unifying theme in this examination. The specific questions addressed in this thesis were:

1) What are some of the strategies and tactics that management employs to elicit trust and commitment from labour?

2) Do these employee involvement programs enhance organizational performance?

3) Do these initiatives provide more satisfying work for workers?

4) To what extent can conflict be eliminated from the labour-management relationship? What are some of the outstanding issues that may enhance or detract from greater cooperation between managers and workers?

In this thesis, I have attempted to answer the above questions through the use of a variety of studies that used different methodologies. It is clear from this research that the impact of employee involvement on organizational outcomes and worker satisfaction is problematic. Unions have been suspicious of these innovations and the initial acceptance of such innovations by workers has often ended in disillusionment. It is clear that there are a number of issues that make genuine cooperation between labour and management difficult but not impossible. Trust, with an accompanying sense of equity and justice appears to be the most important component in developing such cooperation. In turn, a culture of trust can only be developed when there are some guarantees of at least minimal levels of security.

In the economic environment of the 1990's, management has to keep costs under control. On the other hand, management needs the trust and commitment of its workers in order to achieve the goals and objectives of the organization. This two-fold dilemma is
not easily reconcilable. As numerous writers have suggested, trust and commitment are not easily replaced once an organization has downsized. Previously committed employees may not contribute to the organization if they perceive that they are not being treated fairly. Nonetheless, some organizations are designing employee involvement programs that encourage participation in certain aspects of the organization. Some of these initiatives involve material incentives (for example, gainsharing) while others rely on more intrinsic aspects of the job (quality circles, job enrichment, work teams). The proponents of these initiatives contend that all parties stand to gain from a trustful and cooperative relationship. The organization benefits from improved productivity and greater profitability. The workers have a more satisfying and humane workplace. Is there any kind of empirical validity to these kinds of generalizations?

The rhetoric of employee involvement has some appealing aspects that must not be ignored. As Milkman (1997) has suggested, we cannot assume that workers are operating under conditions of false consciousness. A number of workers have found that they like these employee involvement initiatives. These workers liked the fact that they were given more varied tasks that lessened, to some degree, the monotony of the assembly line. Nonetheless, the evidence suggests that the promises of these new initiatives remain unfulfilled. The recent history of the CAMI plant suggests that there remain a number of tensions in the labour-management relationship. The CAMI plant was touted as a model of labour-management cooperation yet the CAW workers went on strike (hardly a manifestation of trust). The workers found that their jobs were intensified while their autonomy was minimized. Consequently, the level of worker commitment declined over time until the workers went on strike.

The evidence from the telecommunications industry suggests that labour-management tensions revolve around job security, job classifications, and certain
employee involvement initiatives. Management tended to express the need to have greater flexibility in the deployment of labour by reducing job classifications, increased multitasking, the use of contingent pay schemes. Some managers expressed outright hostility to the existence of a union in the plant. Labour representatives expressed the need for greater job security but this was dismissed by some managers as unrealistic. The use of contractors and temporary workers has been a source of conflict between management and labour representatives. Clearly, there are numerous sources of tension that threaten to undermine cooperation over the long run.

The evidence suggests that some of these employee initiatives seek to shift the source of control from rational models to concertive types of control. The use of work teams suggests that management can achieve its objectives by manipulating the group norms of these teams so that the workers monitor and discipline themselves. The work of Barker (1992), Ezzamel and Willmott (1998) and Sewell (1998) suggests that teamwork can serve to create a more committed workforce that can achieve organizational objectives with fewer administrative costs to the organization. However, the case of the CAMI plant suggests that even plants that have work teams can resist management. Nonetheless, it is management that still drives the agenda for the reorganization of work and that implies that the gains of labour could still be limited by the aims and objectives of management.

Many workers found that the pace of the production line circumscribed their autonomy. CAMI and NUMMI plants were Japanese transplants that operated under a system of 'lean production'. With fewer workers on the shopfloor as well as fewer buffers, many workers found that they were working harder and had little or no control over the work process. Even in Adler's generally pro-employee involvement analysis of the NUMMI plant, individual or team autonomy was actually discouraged because of the
need to integrate the teams in the production system. This suggests that management is defining a certain kind of autonomy for workers that remain consistent with the achievement of organizational objectives.

In *Industry and Labour: Class Struggle at Work and Monopoly Capitalism*, Andrew Friedman uses the term 'responsible autonomy' to capture the essence of an alternative managerial strategy to coercion. He writes that, "(Responsible Autonomy) ...attempts to harness the adaptability of labour power by giving workers leeway and encouraging them to adapt to changing situations in a manner beneficial to the firm." (Friedman 1977: 77-78) He continues, "Top managers are still 'in control' in that they, in their role as representatives of capital, continue to initiate changes in work arrangements and continue to exercise authority over the work activity of others." (Friedman 1997: 79) He also noted that large firms offered financial incentives and other concessions in order to encourage worker effort and compliance with managerial goals and objectives. (Friedman 1977: 79)

However, there are some structural constraints that prevent management, if it really wanted to, from committing to a long-term cooperative relationship with labour. Management faces strong short-term pressures to keep costs low. Investors who are concerned about their earnings frown upon expenditures on employee involvement initiatives that may or may not produce results. Corporate downsizing is still an option for managers who are concerned about short-term results for the organization. There is a strong financial incentive to lay off workers instead of sincerely engaging its workers about reorganizing the firm. When organizations downsize, the evidence indicates that rebuilding trust with the remaining employees is a difficult task.
In conclusion, the evidence suggests that a certain level of distrust still permeates labour-management relations. Marx saw this as an endemic element in labour-management relations. His concept of worker alienation – the loss of control over the production process – captured this belief. As long as each side has interests that conflict with the other, tension and conflict will remain. Managerial attempts to foster greater trust and cooperation with labour are tempered by its failure to gain legitimacy from labour. Without frequent consultation with labour and willingness to compromise, management will not be able to make itself credible. The inability of management to commit to greater employment security, enhanced worker input on technological decisions and the work process means that labour may continue to have suspicions about managerial intentions.

Labour-management relations have always been highly politicized with both parties attempting to advance their own respective interests, even at the other's expense. In a majority of cases, it has been management that has set the agenda and defined the central issues around work reorganization. Unless organizations are prepared to make 'credible commitments' on issues that matter to workers, trust and commitment will not be sustained. A true partnership is not possible when one party seeks to define the issues on its own terms and without considering the issues of the other party. The claims and promises of consultants and business academics will remain unfulfilled with the result that distrust may continue unabated between management and labour. The issue is not so much who has the power but rather whether that power is defined as legitimate by those who are 'led'.
Bibliography


