

In addition, a separate analysis of labour productivity shows that the more outstanding differences in the labour productivity of the total economy without agriculture, compared with the labour productivity of the total economy, also emerge due to disparities in the economic structure of the developed and less developed regions, i. e., differences in the labour productivity of the private sector of agriculture.

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WORKERS, WORKPLACE, and PARTICIPATION: AN OVERVIEW
OF RECENT DEVELOPMENTS IN THE UNITED KINGDOM*

Malcolm WARNER**

THE GENERAL BACKGROUND

Introduction

What is the role of workers and their representatives in the working life of British enterprises?

Is the level of *de facto* influence constrained by the limited degree of *de jure* participation in the formal industrial relations system?

Is the level of *direct* participation greater or less than the degree of *indirect* workers' influence, given the prevalence of shop-steward representation?

In discussing industrial relations and worker participation we should take into account the fact that Britain was the first Industrial Society. This in turn may be responsible for the age of so much of its capital investment, as well as the inertia of its institutions and attitudes. Thus the "Industrial", rather than the "French", Revolution became the decisive factor shaping political norms. These in fact may have also shaped the rise of working-class political power and ultimately the potential for industrial democracy.

Trade Unions may be seen as truly British developments. They can be regarded as having formed against the background of early industrialism. From 1870 until 1908 they were legitimated as friendly societies and from that date fully legalized as trade unions. Under the

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** Professor and Research Coordinator, Joint Graduate Programme, Administrative Staff College, Henley; & Brunel University, England.

English legal system, a minimum of statute law was required to shore-up their existence, but they were also controlled by the common law. Failure to notice this distinction has often made people think that the British Industrial Relations system is 'voluntaristic' rather than 'legalistic'.

Worker Participation in Companies

The call for greater participation has a long history. A committee investigating industrial relations, during the First World War, brought forth the first Whitley Report, which argued that:

"A permanent improvement in the relations between employers and employed must be founded upon something other than a cash basis. What is wanted is that work-people should have a greater opportunity of participating in the discussion about the adjustment of those parts of industry by which they are most affected."¹

Despite this, over half a century later, there is still no legal basis for participation in British companies, as in their continental counterparts. British workers have little that compares with the German arrangements, for example, as far as *formal*, legally prescribed procedures are involved. Health and Safety laws have been more significant in establishing *legal* rights for participative procedures. Some companies (like British Leyland) have rather tried to use shop-steward bodies where *de facto* power lies, as the foundation on which the participation edifice is to be constructed, but such schemes have not necessarily succeeded. Union influence is however quite pervasive in the system.

Unity/disunity of representation within companies due to deomnational unions is not a problem, as in some other European systems. True, there are problems related to collective bargaining bodies, for example, related to multi-unionism, but often a joint convenors' committee may exist. This committee may represent all the senior shop stewards for the unions involved in the company, which bargains and which is consulted. The role of the national trade union official is often to back-up the plant-level bodies negotiating.

National negotiations provide only a framework in many industries, as in engineering for example, as indeed we see from the Donovan Report, 1968, on the development of the "formal" and "informal" systems of bargaining over the post-war period, and their divergence from each other. In the public sector (employing one-quarter of the labour force) the role of central negotiations is more important. In the late 'seventies, both public and private sectors bargaining were, of course, subject to nationally imposed limits under the *de facto* incomes policy.

As Clegg writes "For some years there has been a strong trend towards plant-wide pay agreements in the private sector in Britain. They have enough in common with the 'factory agreements' which were the central proposal of the Donovan Report to provide at least a preliminary test of the consequences of introducing factory agree-

ments."² The Advisory, Conciliation and Advisory Service tries to help where feasible as an officially financed tripartite body with a primarily 'fire-fighting' function. In cases when national level negotiations between unions and employers break down, the government may become directly involved as a mediator or arbitrator between the two parties. Usually, in such cases a Court of Inquiry may be set up with the power to make recommendations for the settlement of the dispute as, for example, in the case of the last national steel strike.

Recent Developments

The repeal of the 1971 Act, the onset of the "Social Contract" and the closer collaboration between unions and government under the last Labour Government helped to reduce industrial tension for a while, until the winter of 1978-79. The issues of worker participation and industrial democracy had been 'in the air'. It is hard, however, to sift the evidence. Except for a scattered incidence of worker-directors in a few public and private sector firms, most importantly at divisional level in British Steel, there is only a limited number of extensive 'experiments' so-called, in worker participation. There had however been a keener interest in industrial democracy as a way of improving industrial relations. Improvements in education have led people to want a greater say in the workplace. It is claimed, on the basis of survey evidence, that workers, *at least*, want a greater control over their immediate work environment.

As the Bullock Committee argued:

"New concepts of the role of employees in decision-making at company level are not just reaction to economic trends. They also derive from social changes which have taken place since the war, especially rising standards of education and higher standards of living. The significance of the educational developments is not just that more people have received a basic education; it is the nature of that education which has changed. There is now less concentration on formal authoritarian teaching methods and more encouragement to children to adopt independent and questioning approaches in order to develop individual initiative and ability. It is only since World War II that we have seen the end of the deferential society, in which working people rarely aspired to positions of power or authority in local and national life. The coming of age of democracy in our society is a process that inevitably affects the whole of people's lives; it cannot be excluded from the workplace. The parallel increase in standards of living has also been important. Most people now live in more comfortable homes and have more money and leisure to enjoy them. They have come to expect a higher and rising standard of material comfort and are, therefore, naturally less tolerant of low standards, discomfort, boredom and lack of provisions for safety and health in their working environment..."³

Social, technological and economic changes have stimulated research in this field because:— "note need be taken of, amongst other factors, the growing interest in participation by employees in the running of their workplaces, and in the broader questions of industrial democracy and personal freedom."⁴ But the discussion of participation needs greater precision. A report on workers' participation from the Geneva-based International Institute for Labour Studies argued that:— "Participation in ownership or profits has not been distinguished from participation in managerial decisions. There has been confusion as to the types of decision and the levels of decision-making in which participation is envisaged. Underlying all is the widespread, oft-articulated feeling that ordinary people should have more control over their decisions than has normally been their lot in history so far."⁵

In the early 1970s, the top council of the main employers' federation (the Confederation of British Industry) asked that a policy-document be prepared by its committee dealing with company affairs, on worker participation; however, when the scheme was completed in 1973 it was voted down.

The report suggested (paragraph 55):

"We believe that what is now required is the development of methods allowing a wider degree of participation in the processes of decision-making throughout British Industry. The Employment Policy is setting out a plan for establishing employee participation at plant level."⁶

Since then the CBI has played a game of delaying tactics. The three employer members of the Bullock Committee on industrial democracy brought out a minority report dissenting from the main proposal to put worker-directors on the *main* company board, in companies of 2,000 or more employees, and plumped rather for giving them seats on the supervisory board.

It had been proposed in the *Majority Report* that in large companies there should be equal numbers of worker and shareholder representatives, plus a quota of independent directors to keep the balance. This was known as the $2x + y$ formula. Employers however saw the parity threshold as the 'rubicon' of power, and the crossing of this as the road to 'back-door nationalisation'.

The original (1974) TUC proposal reflected the German DGB idea of 50% representation on supervisory boards. The strategy of the employers argued for representation on these lines, not the single, main board as in the U.K., but the $2x + y$ formula. More importantly, it recommended *direct* election by the employees and not election or appointment *via* trade union channels.

The *Majority Report* suggested that trade unions in large firms (of which Britain has about 730) with over 2,000 employees, having at least one in five workers organized, should ask their members if they want to have worker-directors. Should this 20% agree, then the rest of the employees with them would be balloted to endorse the union position and claim parity on the main board. The union members and other employees would not need to elect the worker-directors from

their own ranks, hence allowing national union leaders to become worker-directors. There was no proposal to pay them the same as ordinary directors, nor was it suggested they undertake executive functions necessarily and as such. As small and medium-sized firms were kept out of this scheme, it meant that the bulk of British companies would have no such type of worker representation (bearing in mind that a sizeable proportion of the work-force is now found in large enterprises, where of course unionisation is relatively high.)

The *Minority Report* argues that:

"It would be exceedingly unwise for the nation to disregard their practical realism and accept the theories of those who see this debate as a means of changing the structure of society in this country and who would seek to bring the boards of the private sector under trade union control."⁷

The issue remains unresolved. Few British unions went so far as to block participation, but many did tend to take a cynical view, as indeed did many British employers. The Engineering Employers' Federation objected to worker-directors very strongly, as did the engineering unions.

British unions generally are not enthusiastic about 'cosmetic' solutions, and are mostly keener to face the realities of the shopfloor. The TUC regards works councils as inappropriate. Those in favour of workers' control have encouraged direct action in the form of factory occupations and the setting up of worker cooperatives. The recession, and threat of further closures, promotes such actions. The Institute of Workers' Control, at Nottingham (founded in 1968), has pushed forward this view. Some experiments may have had a 'demonstration-effect', but this is uncertain. Others failed outright (like the Scottish Daily News), and others have limped on, such as the Meriden motor cycle cooperative.

Other bodies, such as the Industrial Society, the Industrial Participation Association, and similar groups, have argued for more employee consultation, even participation. Conferences, business as well as academic, have been held on the topic. Journals, reviews and magazines have featured articles; but the debate is now rather subdued. Whether it will lead to substantive change in the direction of industrial democracy is now less certain. In any case, it is too early to see signs of any great shifts in attitudes or interest in harmonizing our arrangements with the European Community, or not.

Whilst it is difficult to generalize about the public mood, a recent study⁸ attempted to highlight the following findings:

- *Employees in Britain have a remarkably low level of involvement in decisions that affect their working lives, but they do want a greater say in those decisions.*
- *Their aspirations remain moderate, however, and meeting them would not blow apart the present structure of decision-making, as some have feared.*

- Formal measures to encourage participation need carefully matching to British workers' needs and wishes or they would be ineffective, thus complete systems of participation could not be transplanted to Britain from Europe.
- Much managerial support in Britain for the concept of worker-directors exists.
- Britain has become a more distrustful nation over the last 20 years.

These are among the main findings and policy implications of "What do the British want from Participation and Industrial Democracy?" The report is based on two surveys, one involving more than 700 people in 14 companies, in the metal manufacturing, baking and insurance industries; and the other a national random household survey in which more than 1700 people took part.

Thus it seems, at least, that interest is high overall for expanding the degree of participation. However, the forms it might take do seem to be contentious, and it is to this that we now turn. It is necessary to review these.

Forms of Participation

There are several types of participation in the United Kingdom. These may take political, economic and social forms; and cover worker-directors, consultative committees, and so on (see Table 1). The next sections discuss first, such forms of *indirect* participation; then, second, types of *direct* participation are examined.

Table 1. — Participation in the UK⁹

Type of Participation	Examples	
'Political' forms	(a) Worker directors	— British Steel Corporation — Harland and Woolf
These forms are political in a sense that the system provides a mechanism for employers, through their representatives, to influence management decision making at a strategic level. The elected representatives do not always occupy a director role	(b) Company councils	— Glacier Metal — Scott Bader Commonwealth — John Lewis Partnership
	(c) Consultative schemes	— Various examples with varying degrees of influence on the decision making process

'Economic' forms	(a) Profit sharing schemes	— ICI
Here, participative machinery is designed to facilitate involvement through sharing in the wealth creation process	(b) Share ownership schemes	— Marks & Spencer
	(d) Suggestion schemes	— Rucker or Scanlon types of pay system
	'Social' forms	(a) Job enlargement schemes
Participation is task based, with the emphasis being placed on increased employee involvement at the job or task level either individually or as part of a group	(b) Job enrichment schemes	

INDIRECT PARTICIPATION

Worker-directors

Unlike many of its EEC partners and others, Britain does not have any statutory scheme for worker-director representation on single or supervisory boards. Thus, it is not the prevailing practice for British firms, indeed it is the *exception*. Apart from the public sector where experiments have taken place in British Steel there are few examples.

A small number of commercial firms have however adopted a 2-tier board, such as Bonser Engineering Limited, who make fork-lift trucks. British company law does not preclude any firm moving in this direction if it so wants.

Looking now in more detail at British Steel, we find that BSC has begun to involve the employees' representatives in "worker-director exercise" but when being faced with continuous changes (i. e. technology), greater tasks are now called for from worker-directors. The faster the pace of change, the more severe will be the demands on the worker-directors. Moves have been made towards a combined trade union body to parallel the joint consultation and participation machinery at all levels, involvement in planning, and representation on divisional and works management committees. British Steel faces some severe problems which influence participation, such as result in large scale redundancies and closures. Multi-unionism also complicates the process. In addition, it is a relatively new body which still does not have the well established negotiating arrangements it would prefer.

The company divides into *eight operating divisions*. The heavy steel sector covers two divisions and represents 90% of the BSC's 180,000 employees. Talks about contracts have dealt with the heavy steel sector, and cover 19 unions. The consultative committee has been concerned with problems such as overtime, common conditions for in-

dustrial grades and for staff below managerial level. The company was the first major firm to experiment with worker-directors when a number were put on the BSC's divisional (*advisory*) boards in 1968.

There is however an existing system of *joint consultation* at most works and divisions. However, it was seen that relations could be improved by upgrading the quality of joint consultation and expanding the area of joint negotiation. The joint working group recommended that trade unions become involved in management. This involved membership of the main board, some changes to the "worker-director" scheme at divisional level, and the extension of representation on works management committees, where this had been introduced in a few works. Involvement of unions and employees in management committees for planning capital expenditure and individual projects at the national level became the focus of attention. Some attempts have, in addition, been made to deal with job satisfaction problems, with the TUC Steel Committee. Other aspects have been a matter of consultation, such as absenteeism, discipline and better performance, leading to better performance for both company and employees.¹¹

It is worth noting that neither the Worker-director experiment in British Steel, nor the Company Council (now defunct, but possibly to be revived in modified form) innovation at British Leyland, have inhibited extensive strikes in recent times. Nor has the substantial consultative machinery in the National Coal Board prevented national miners' strikes, or a high level of unofficial disputes. The same can also be said of JCCs and shop-stewards' bodies, but hardly anyone would expect the latter to do so, although several studies of shop-stewards have observed their generally positive and moderate characteristics.

Empirical research has also recently been carried out in seven private-sector companies, of middling size, with worker-directors.¹⁰ The firms were divided into three groups:

- (1) highly unionized, with some union involvement in worker-director scheme,
- (2) highly unionized, with little or no union involvement *etc.*,
- (3) non-unionized but with worker-directors.

In one firm, the worker-director had a close formal link with the bargaining structure; in all the others, the roles were kept scrupulously distinct. It concludes that the topic must not be examined *in vacuo*, but in its relevant setting.

The random household survey by Heller *et al.*¹² found that over half of the sample of senior managers, and nearly two-thirds of the middle-managers, thought the representation of workers on boards desirable (see Table 2).

Particularly keen were women and younger respondents (under 21). Although different age-groups were in favour of worker-directors, there appeared to be a steady fall in support with increasing age. If workers' spokesmen were to have seats on Boards, who should choose them? Two-thirds of the sample (see Table 3) thought the workers themselves should help to choose the worker-directors, with 40% saying that *only* workers should be involved, and 35% wanting some

mixture of workers with trade unions or management. Only 23% of the sample favoured selection by management (more likely for certain top management and non-unionists).

Table 2. — Desirability of Board Level Representation of Workers in Large Companies, by Job Level^{12a}

	Total	Top Management	Middle Management	Supervisors/ Foremen	Shop-Floor	
	%	%	%	%	Clerical	Manual
Yes, desirable	72	56	64	67	77	78
No, not desirable	28	44	36	33	23	22
(% base)	(1,508)	(118)	(294)	(203)	(239)	(654)

Table 3. — Who should be responsible for choosing Worker-directors, by Job Level^{12b}

	Total	Top Management	Middle Management	Supervisors/ Foremen	Shop-Floor	
	%	%	%	%	Clerical	Manual
Workers	40	30	35	40	44	43
Management	15	32	18	16	12	10
Trade unions	5	3	3	5	4	6
Workers & Management	20	24	27	20	23	15
Trade Unions & Workers	3	2	3	4	4	3
Trade Unions & Management	3	2	3	2	2	4
Workers, Trade Unions & Management	12	4	9	12	10	16
Other answers	2	3	3	1	1	3
(% base)	(1479)	(116)	(283)	(202)	(235)	(643)

In the same survey, the respondents were asked to decide between workers' representatives on the Board or consultative committees at lower echelons of the organization. The results do not suggest any overwhelming preference in the total sample, 51% preferred worker-directors, while 49% plumped for consultative committees. Job level was again the major predictor of their preference. About two-thirds of the managers sampled preferred consultative committees rather than worker-directors; and these figures were neatly reversed for the shop-floor. Few shop-floor workers opted for consultative committees, and this may be explained by a general disillusionment with joint consultation in the past, to which we now turn.

Table 4. — Preference for Workers' Representatives on the Board or Consultative Committee at Lower Levels of the Organization, by Job Level^{2c}

Preference for:	Total	Top Management	Middle Management	Supervisors/ Foremen	Shop-Floor	
	%	%	%	%	Clerical %	Manual %
Workers-directors	51	32	36	44	50	62
Consultative Committees	49	68	64	56	50	38
(% base)	(1170)	(71)	(215)	(162)	(175)	(547)

Joint Consultation

The origins of joint consultation go back to the First World War, when works committees helped to keep up munitions production. The Whitley Committee then urged, in 1917, that such collaboration continue after the war. Several national joint consultative councils were then set up, and parallel plant bodies encouraged. Few of these survived the slump.

Again, during the Second World War, not only was worker involvement encouraged at macro-economic level, but joint production committees were also promoted. About half of these were judged successful. While the post-war reconstruction plans included plans for joint consultation, the legal basis mostly extended to the nationalized industries, although even there firms were free to make their own arrangements in detail. In the private sector, however, there was no legal compulsion to introduce consultative machinery. The form of joint consultation was left voluntary and negotiable as desired. The number of firms with this kind of consultation has however declined since the 'fifties by possibly over half.

The bulk of the evidence concerning joint consultation suggests that it reached its peak in the late 'forties and early 'fifties, and then went into a period of relative decline. The crucial development since, over the 'sixties and 'seventies, has been as we have already seen the growth of shop-steward influence, and the divergence of the informal from the formal system. More recently, the emergent form of joint decision-making has been the Joint Consultative Committee, which consists of senior shop-stewards meeting top managers and others on a regular basis.

This development has been less inspired by the list of factors associated with joint consultation and more by the realities of plant level collective bargaining. The move to workplace bargaining has, over this recent period, been closely associated with the tightness of the labour market. It is suggested that the growth of unemployment in the late 'seventies has contributed to a weakening of such bargaining, but not (or so it seems) the extension of JCCs. Nonetheless, in specific cases, such as in the motor industry, the influence of such bodies may have been weakened. In one case at least, for example British Leyland, management has unilaterally by-passed the consultative machinery by holding a ballot of all employees on the company's projected corporate plan, in late 1979; and again on the sacking of a leading militant chief convenor, in early 1980. Indeed, as far as the introduction of new working practices is concerned, the B. L. management have also pursued a similar tactic.

It is impossible to present a definitive picture of joint consultation for the British industrial relations system, as of the start of the new decade at least. As a generalization, joint consultation (of the traditional kind) still persists, but there is no clear *pattern*. As there is no law (such as exists say in the German Federal Republic), there is no requirement that workers' representatives in the works council have to have influence over specific areas such as the work environment, production organization, as well as promotion and transfer in the British system. There is therefore greater variance than in the German system, at least in terms of formal requirements.

In the British part of a wider study,¹³ the shop-steward body was used as the appropriate representative institution, whereas in most of the other European countries (except Italy) a works council was selected, so the choice was (in the light of the above) presumably justified. 'Indirect participation' was to a high degree seen by British workers, especially in the metal sector, as implemented *via* their trade union representatives.

In a study on automation and work humanization,¹⁴ British workers were seen as relying heavily (as did Italian workers) on their union representatives "as a channel to gain hearing for their ideas", as opposed to the other advanced countries studied. Indeed, while two out of three Italians had been involved in plant committees, this was only true of one in four British respondents. It seemed that the British liked to approach management themselves, up to 7 out of 10 presenting their ideas to management of one kind or another. But collective pressure was more important than other means of influence, for example 3 out of 4 British workers had recently been involved in a strike, slow-down or working-to-rule (of an organized kind). While workers were displeased

about pay in several countries studied such as Italy, France and Finland — the British were as happy as the Germans with their level of pay. In the same study, it was found that the British (and Italians) wanted to take part in double the number of decision-areas (either directly or indirectly). Indeed, about half the British workers were ready to take part in *all* decisions in the plant, as were the Italians.

Given the *relative* lack of specificity of national legislation *re* participation in general, and in the seven areas in question, it is clear that there is a good deal of variance between enterprises. While it is possible to envisage an "ideal-type" in which there is the maximum of participation in each (and all) decision-areas, there is in reality much variety, but for many firms in the metal sector, covering most of engineering, there is a fair degree of worker-influence, given the high degree of unionization.

There is also a "negative" model which is the mirror-image of the "ideal-type", where workers' influence is very low in reality, or even zero in each (and all) decision-areas. An example here would be the typical small (or medium-) size unit in the retail trade, with the exception of cases like the John Lewis Partnership. In this negative set, the degree of unionization is very low and there is no specific legislation to compensate, except for the minimum wage legislation in the form of a Wages Council, which is hard to enforce anyway.

Further, many writers have questioned whether participation can really exist separately from collective bargaining. Clarke *et al.*¹⁵ analyzed the difference between participation and bargaining. In bargaining, two sides confront each other as adversaries who seek to agree on a set of rules under which they can co-exist. In participation, the worker has a say on the decision-making body which, in theory, does not recognize the two clear sides, and agreement is arrived at by consensus. They question if there is any difference between the outcomes of the two procedures. Is participation just one form of negotiation or bargaining? We therefore turn to an examination of this problem in more concrete terms.

Recent British Leyland experience, for example, shows that where there are attempts to change working practices (and this affects most decision-areas relating to working conditions), *collective bargaining* either supplements, or even replaces, *formal* attempts at worker participation. It was not just the then current wage-offer which was at stake, but a lengthy management proposal put before the B. L. Joint Negotiating Committee which, if put into operation, would have led to the most drastic change in working practices since piecework was abolished and Measured Day Work (M. D. W.) was brought in almost ten years ago in the early 'seventies. With the introduction of two new models, B.L. management wants to increase productivity and "ensure the maintenance of efficient work organization and consistent work standards". They have been hoping to re-time all jobs and obtain labour force flexibility on the shop-floor, with a factory-wide bonus scheme, and the use of semi-autonomous work teams. Ford is also interested in this development. Both have displayed modified enthusiasm for Japanese-style 'quality control circles'.

Shop-stewards committees

It is clear from a study of major sources that the main plant-level, and often enterprise-level, 'participation' in British industry is *via* shop-stewards and their committees. As Clegg observes:

"surveys established that shop-stewards operated in an overwhelming majority of manufacturing plants which employed more than 150 workers and recognized trade unions. Over half of these stewards regularly discussed and settled with management one or more aspects of their members' pay, and most of the remainder did so sometimes."¹⁶

Estimates vary for the number of shop-stewards. Figures ranging from over 250,000 to over 300,000 have been mooted; around 3,500 are claimed to be full-time, or about one per cent. The number may even be as high as ten thousand, far outstripping the number of full-time officials — estimated by Donovan (1968) at 3,000 and probably not rising much faster membership growth since then. Although they do not *necessarily* have a formal role, the shop-stewards do interact relatively closely with the full-time union officials.

As one authority points out "The shop steward system is dominant where there are few legalized works councils or means of participation... Their power depends on *de facto* support from the workers and their mobilization activity in times of conflict."¹⁷ Shop-stewards are elected in nine cases out of ten. The influence of shop-stewards in the context of worker influence is greater in the more highly differentiated large companies.

In the Lucas Aerospace case, the Combine Committee has achieved prominence because of the 'Alternative Corporate Plan'.¹⁸ It was to head off redundancy that a range of alternative products was proposed, rather than traditional militant action. It was a challenge to managerial prerogative, beyond industrial democracy, envisaging a real shift in power to the work-force.

The Combine Committee at Vickers, in a similar industry, called for 50-50 worker/management representatives on all decision-making bodies in the firm. The company promises to discuss the matter at 'an appropriate moment'. In Vickers, unlike Lucas Aerospace, alternative products will be less emphasized. Substantially, "these plans represent a demand for *workers' control over production*".¹⁹

Miscellaneous examples

There are other well-known examples of participation, such as Scott Bader, the John Lewis Partnership, a retail chain, and so on — where co-ownership emerged, but imposed rather from above (by the founder). Scott Bader, a plastics firm, has under 500 members; John Lewis has over 20,000 'partners'. Another firm in this category would be Kalamazoo, Ltd., making office stationery, which employs over 2,000 members. In the latter, the interests of the workers are represented

by the "Kalamazoo Workers' Alliance". It was founded in 1948 to reconcile the interests of shareholders and employees. The Alliance owns just over half of the equity and is held in trust. Four elected trustees administer this, each of whom represents a group of employees. Members have to be in the firm for over three and a half years to take part and vote. They also continue during retirement. There were, in 1979, 1,466 members, 1,398 in 1978; of these, 192 were retired employees, 186 in 1978.²⁰

It is also worth mentioning the producer-cooperatives which have emerged over the years, particularly in the East Midlands textile, printing and footwear trades. Such recently formed enterprises have often come to life after an occupation to resist a factory shut-down. The Scottish Daily News and Kirkby Co-ops are now defunct, but a more fortunate survivor has been the Meriden case to which we alluded earlier, and which now has only a limited chance of survival, given the challenge of the Japanese motor-cycle industry. Originally, the plant had faced just this type of competition, putting 1,750 jobs in jeopardy. After a long sit-in, less than a third of the workforce is now employed in spite of sizeable government loans which have now been discontinued. Less has been heard about the prospects for workers' control in the last year or so, given the hard times encountered by such experiments.

Even so, 300 new worker-cooperatives have been formed in the last few years. They have often come into being with the help of the Industrial Common Ownership Movement, without government assistance and finance. According to a recent report, their growth is likely to be steady rather than spectacular. The Industrial Common Ownership Act of 1976 laid down guidelines for their formation, some finance has been made available for loans, and the Inner Urban Areas Act of 1978 has also enabled local authorities to make small loans or grants. They "do not offer a panacea for the country's economic problems" but may provide "alternative, and more satisfying, job opportunities".²¹

DIRECT PARTICIPATION

Introduction

As in the case of indirect participation there is a low degree of legal provision for *direct* involvement by employees in decision-making at their place of work. Forms of direct participation mostly exist either as a result of *ad hoc* collective bargaining and/or company arrangements. The special nature of worker producer-cooperatives clearly stands out as the *exception* rather than the norm. Workers' assemblies, as in firms like the above, are most unusual in British industry. Indeed, direct participation is less common than its indirect counterpart, as we shall see.

Individual influence

One way in which an individual can influence decisions affecting his job is by directly altering the intensity and duration of the work in hand. The employee may encounter his superior face-to-face, or in-

directly via the grievance procedure, or even through the suggestion-box. There may be some lee-way over working hours through "flexi-time" schemes. There are, in any event, a number of experiments in the area of direct influence and these will be mentioned at a later stage, when specific decision-areas are discussed. Even here, there is hardly any provision *de jure* for direct influence over working conditions although it is over such areas that workers do have some influence.

Group influence

There is often direct influence over working conditions by the activities of work-groups. This may be expressed in either a proactive or a reactive way, at least from the firm's viewpoint. In the former, the management takes the initiative and sets up such structures as *briefing groups*. Another form is *familiarization groups*. Such employee access to information is often seen as minimally necessary to support participation.²² This may be illustrated as follows:

There are 38 companies in Ferguson Industrial Holdings, Ltd., operating from 46 different locations and organized in five divisions: building supplies, engineering supplies, engineering, printing and giftware. It employs 2,600 employees in all, and a degree of consultation has evolved.²³ Every employee is given a direct induction by his manager and receives a very clear booklet outlining all the activities of the company and other companies in the group. After six months in the job, the employee goes on a "Group Familiarization" course. It is a one-day effort explaining the structure of the group, profit-sharing scheme and the pension scheme. The central aim is to make people feel that someone is taking an interest in them. This is then continued through training. Informal meetings are held between the chairman of the group and the workers in each subsidiary.

The *reactive* form may be illustrated by protest activity by a work-group against bad working conditions: then, management has to cope with the situation. This may or may not take on a formal or informal structure. Most frequently, work groups elect a shop-steward (see earlier sections), and hence the form of participation becomes indirect. Even so, *spontaneous* sometimes unrecorded group action and influence are not unknown in British industry. It is, thus, rather hard to analytically disentangle *direct* from *indirect* forms of participation.

Work group regulation of industrial relations is often found, although why some groups do attempt it and some do not is unclear. Often managers prefer to deal with convenors on site, as opposed to either the work-group directly or the distant union official. There is a tendency amongst British workers to be ambivalent between collectivist and individualist approaches both on the shop-floor and in the office. The *briefing-* and/or *familiarization-group* is one managerial tactic to counter this collectivist current and attempt *direct* individual and/or joint consultation.²⁴

Job re-design

As Hebden & Shaw²⁵ point out, a vital ingredient "in programmes of job design has been a recognition that work is a social activity", as is clear from the preceding section on work-group influence. There is a wide research background to this proposition (see Thorsrud, 1980, for a cogent summary).²⁶ The main forms experiments in job re-design take are job rotation, job enlargement, semi-autonomous work-group and so on. They can be, more or less, regarded as 'participation'. The recent British experience is described in detail by Birchall, Carnall & Wild,²⁷ and will be discussed in the section relating to work-organization later.

A list of companies having carried out noteworthy experiments would include at least the following:—

Associated Biscuits
British Leyland
British Steel Corporation
Cadbury-Typhoo
Clarks Ltd.
Cummins
Grattans' Warehouses
Littlewoods Ltd.
Philips Industries
Trebør Sharps
United Biscuits.

The degree of experimentation varied from firm to firm, but the basic models adopted mostly stemmed from the same roots.

Recent British experiments derive from the early work of the Tavistock Institute, the Glacier Metal Company experiments, and so on. It is difficult to estimate how many *major* experiments have occurred and persisted. The Work Research Group (a tripartite body) actively sponsored projects in the 'seventies, but with a limited budget. The total number of companies involved in largely *minor* experiments is probably higher than 500. Here, 20 are scrutinized in greater detail, and the researches conclude that recent surveys tend to "overestimate the amount of significant experience in this area in the U.K."²⁸ and "despite the participative and consultative approaches in most cases most exercises seem to have resulted directly from management initiative and to have been undertaken with largely managerial orientations".²⁹

Like work-group meetings, job re-design changes may pose few problems for the manager's role: "Job enlargement which enlarges the scope and autonomy of individuals simply means increasing the discretionary content of their jobs, extending the boundaries or prescribed limits".³⁰ The unions however see a problem and viewed the recent experiments "as an encroachment of their rights to a certain level of control over working conditions ('restrictive practices'), which had been won by the shop-floor",³¹ more of this later.

Employee referenda

A phenomenon, now increasing in popularity in big firms, is to appeal over the heads of official trade union and/or shop-steward representatives by means of employee referenda. This may be seen by some as a form of participation, and only confined to a strike-ballot (as in the case of British Steel — in mid-March, 1980), but also with respect to approval of a new corporate plan for British Leyland, as in late 1979.

Closely linked to such broad referenda are direct ballots for employee representatives on boards, councils and committees — although these are very limited with respect to the first, and only occasionally to be found for the others.

Profit-sharing

Even today, profit-sharing exists to a limited extent, but is growing. There are *over 200* schemes which are awaiting approval by the Inland Revenue, many in major companies.

Several kinds of employee profit-sharing exist:³²

1. A *straight-bonus* in the form of shares instead of cash (e. g. Marks & Spencer, I. C. I.)
2. A *deferred-share* scheme (e. g. Habitat, Bulmers)
3. A *shareholding-trust* (e. g. Kalamazoo)
4. *Common-ownership* (e. g. John Lewis, Scott Bader)
5. *Cooperative-shareholding* (e. g. (Meriden))

Indeed, it is believed that most employees believe a share in profits would lead to higher production.

This form of economic participation has been Liberal Party policy since 1928, when the authors of the Liberal main policy document (on Britain's Industrial Future) declared that the real purpose of profit-sharing was to deal with the worker as a partner ensuring that the share of the proceeds of industry was not a mystery hidden from him, but based on shared and open rules to which he subscribed.

David Steel, the present Liberal leader, in a letter to *The Times* (4 February, 1980), stated that: "It was therefore scarcely surprising that one of the key policy issues upon which the Lib-Lab pact was constructed lay in the acceptance by the Labour Government in 1977 of the principle of profit-sharing and co-ownership legislation. In my letter to the Prime Minister setting out the terms of the agreement I wrote in confirmation: 'the Government has agreed to consider ways of encouraging the creation of schemes for profit-sharing in private industry, with a view to legislation'".³³

A company can now share out up to £500 worth of its stock per worker each year. No tax liability persists if these shares are kept for ten years. Interest in the scheme is considerable in the service sector, although less in manufacturing.

There has been nonetheless a growing trend towards the application of the profit-sharing scheme since the 1978 Act. Several large companies have taken the lead here, although smaller companies could if they wished develop their own schemes. It has been argued that:

"Although the Finance Act's provisions have been criticised as over rigid in laying down requirements in the form of schemes and how they should operate, the schemes developed by companies nonetheless show considerable variety".³⁴ Indeed, "They include great variations, for example in terms of the eligibility requirements and the formulae for the calculation of the proportion of profits to go to employees".³⁵

Concluding remarks

Finally, we should note that it is often not easy to pigeonhole specific experiences of companies in participation and consultation. Sometimes there are combinations of forms or practices such as *collective bargaining* plus one or two other employee involvement devices, say horizontal consultation and/or profit-sharing, in the private sector, at least. Again, in the case of nationalized industries, there is a wide variety of experiences.

Company-initiated attitude surveys may enable a rather *passive* form of direct 'participation' to occur. But not all need to be merely diagnostic or problem-centred: "companies which run surveys regularly and have integrated them with their personnel policy-making and planning (e. g. IBM and John Laing) should achieve, or aim to achieve, a situation without salient problems".³⁶ However, such top-down approaches are no substitute for grass-roots, shop-floor participation.

Workers probably have less enthusiasm for direct participation than those at higher organizational levels. Often no information is provided and many rarely or never have it offered when changes are taking place.

It must be emphasized that because of the absence of legislation, there is less reliance on the courts and on legal sanctions as a means of enforcing rights compared with other countries, with the exception of questions such as Health and Safety, for example. In the final analysis, the enforcement of existing rights and agreements is largely up to the unions themselves, and their success in this respect we may conclude ultimately depends on their bargaining strength.³⁷ In times of recession, this is hardly at its maximal level.³⁸ It is likely that, at the moment at least, they should be seriously reflecting upon the utility of 'positive rights' in the workplace.

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RADNICI, RADNA MESTA I PARTICIPACIJA: PREGLED
NAJNOVIJIH TENDENCIJA U VELIKOJ BRITANiji

Malcolm WARNER

Re z i m e

U ovom članku razmatraju se indirektni, kao i direktni, oblici radničkog uticaja koji karakterišu industrijske odnose u Velikoj Britaniji. Direktni oblik je manje zastupljen nego indirektni. Uzrok za to nalazi se u tome što je postojanje nedovoljnog broja statutarnih zakonskih dokumenata dovelo do prevladavanja indirektnih oblika radničkog uticaja svuda sem u komitetima zdravstva i bezbednosti na radnom mestu. U članku je poseban akcenat stavljen na ulogu kolektivnog pregovaranja i/ili unilateralnu politiku preduzeća. Zaključak članka je da pristup koji ide od vrha ka bazi ne može da bude zamena za potrebu participacije na najnižim nivoima, to jest u samoj bazi.

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OPŠTI PRINCIPI MODELIRANJA EKONOMSKIH SISTEMA

Rosa ANDŽIĆ*

ODREĐIVANJE KARAKTERISTIKA I FORMIRANJE MODELA
SLOŽENIH EKONOMSKIH SISTEMA

Većina sistema, koje izučava ekonomska nauka, može se okarakterisati kibernetičkim pojmom *složen sistem*. Pod ovim pojmom podrazumevaju se sistemi koji se sastoje iz velikog broja međusobno povezanih elemenata. Često se složenim sistemima nazivaju sistemi koji se ne mogu korektno matematički opisati, kako zbog toga što sistem ima veoma veliki broj različitih elemenata, međusobno povezanih na nepoznat način, tako i stoga što su nepoznate prirode pojava u sistemu, te se ne mogu kvantitativno opisati. U drugim slučajevima, pod složenim sistemima podrazumevaju se sistemi pri čijem je izučavanju potrebno rešavati zadatke sa nepojmljivo velikim obimom izračunavanja, ili obraditi veliki obim informacija.

Po Stafordu Biru, svi kibernetički sistemi dele se u tri grupe: prosti, složeni i veoma složeni. Pri tome se smatra veoma bitnim način opisa sistema, "u kome sastavni delovi međusobno deluju na tačno predvidiv način", (te se pri njegovom istraživanju »nikada ne javlja nikakva neodređenost¹⁾), za stohastičke sisteme nije moguće ostvarenje tačnog detaljnog predviđanja. Takav sistem može se temeljno i detaljno izučiti i odrediti, sa velikim stepenom verovatnoće, njegovo ponašanje u svim zadatim uslovima. Međutim, on ipak ostaje stohastički, i svako predviđanje njegovog ponašanja ograničavaće okviri stohastičkih kategorija, pomoću kojih se opisuje to ponašanje.

Ekonomski sistemi su složeni stohastički dinamički sistemi, koje karakteriše: višedimenzionalnost, raznolikost strukture, višestruke izmene stanja (povezane sa dostizanjem cilja ili rešavanjem zadatka), višekriterijalnost, opisi jezikom teorije diferencijalnih jednačina i Buvlove algebre, rešavanje odgovarajućih zadataka raznolikim modelima (teorije skupova, apstraktno-logičkim, topološkim, teorijsko-informacionim, heurističkim, simulacionim) i metodama (dekompozicije, teorije

* Savetnik za razvoj u SDK Jugoslavije

¹ Bir St. Kibernetika i upravljanje proizvodstvom, Moskva, Nauka 1965., str. 27.