

Introduction to Employee Participation In Work Organisation: International Developments

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Management has become increasingly concerned to introduce changes in work organisation in order to increase flexibility and responsiveness to demands of the marketplace, and to improve quality and productivity. The involvement and participation of employees in these changes has been an issue of considerable debate (see Davis and Lansbury, 1996). While concepts such as 'employee improvement' and 'participative management' have been used to emphasise the importance of the role of employees in decision making, the precise nature of such participation has varied considerably. While unions have generally favoured indirect, representative forms of participation (such as collective bargaining) employers have lent their support to more direct forms of participation, which do not necessarily involve unions. Hence, the diffusion of direct participation has posed a challenge to many trade unions. On the other hand, some unions regard direct participation as an opportunity to increase workers' influence in the workplace and to improve the quality of work organisation.

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In view of these developments and the wide range of experiences in different countries, the International Labour Organisation (ILO) initiated a research project in 1993-95 on employee participation in work organisation. In this symposium, three English-speaking countries are represented through papers which analyse both national experiences as well as providing case study material based on particular industries. Muneto Ozaki, who directed the research project for the ILO, has contributed an overview paper which not only surveys recent international developments but also includes insights from other national studies which are not included in this symposium. Ozaki makes the useful distinction between 'on line' participation (through normal work arrangements) and 'off-line' participation (outside normal work). However, he notes that, in practice, the two are often intertwined. Ozaki focuses on teamwork as an example of 'on-line' participation and on project groups and quality circles (Q.C.) as examples of off-line participation.

In his overview paper, Ozaki notes that teamwork has been a key element in transforming work organisation in Western industrialised countries. It can also be instrumental for enhancing democracy by enabling workers to influence the content of their work. However, both the concept of teamwork and how it is applied varies considerably between and within different countries. Furthermore, its diffusion has been incomplete. Ozaki makes a useful distinction between three types of team structure which provide different levels of participation for workers: the first type comprises teams with members of equal status; the second consists of heterogeneous, segmented teams; while the third includes hierarchical but homogenous teams. Ozaki makes the important point that teamwork needs to be viewed in the context of the prevailing employment system in any particular country. This will have a strong influence on the way in which teams function.

The three national papers presented in this symposium each provide a brief overview of country-level experiences as well as including case studies drawn from particular industries.

The paper on Australia, by Lansbury, Davis and Simmons, outlines the wide range of industrial relations reforms introduced by successive Labor governments between 1983 and 1996. Yet while employee participation was espoused by key employer and union groups, and encouraged by government, its record of implementation was extremely varied. The case of the Ford Motor Company, however, demonstrates that while the introduction of an employee involvement program yielded moderate benefits, the extension of this approach into a more comprehensive system of natural work groups (NWG) resulted in more substantial gains. The NWGs embraced a wider range of workers at the shop-floor level, had support of the

unions and appeared to be linked to an increase in the levels of production and quality. The degree of influence gained by employees over work organisation and other aspects of decision making at Ford should not be exaggerated, but all parties regarded the reform process as having positive outcomes.

In the United Kingdom, with the decline of collective bargaining over the past two decades, there has been relatively little negotiation between unions and management over matters such as changes in work organisation and working practices. However, since the 1980s, there has been an increase in the use of consultation and forms of direct employee participation, albeit under the unilateral control of management. Hence, union influence over these matters has been only slight. A case study of a major bank in the UK by Terry and Newell draws rather depressing conclusions. While considerable changes in work organisation were introduced by the bank's management, there was little consultation with either the employees or their union. The main impact of the changes was to reduce the employees' influence through increased homogenisation of work and the intensification of single-skilled employment. The authors concluded that for unions to gain greater influence on work organisation they needed not only to have an effective voice but also competence to present management with constructive criticism and alternatives. However, without legal rights to participation and involvement, workers and their unions are likely to remain marginalised.

In the United States, in recent years, there have been conflicting trends concerning the involvement of employees in new forms of work organisation. While there are impressive experiments and innovations in some organisations, many workers remain in jobs which continue to be organised according to the principles of mass production and in which there is little prospect for workplace reform. Nevertheless, Wever, Batt and Rubenstein present two case studies of impressive labour-management partnerships: between General Motors and the United Autoworkers Union at Saturn, and between Bell South and the Communication Workers Union. At Saturn, partnerships between unionised and non-represented employees has created a unique system of co-management. Local union representatives participate in various joint committees and forums, from shop floor teams to the Strategic Action Council. Bell South represents a joint effort by labour and management to redesign work, in the context of on-going operations, through team-based work systems.

The researchers note that Saturn and Bell South highlight different kinds of worker participation in management decision-making. In both enterprises, innovations were facilitated by the decentralised nature of the US

political economy, with its low level of institutional regulation. Yet the lack of a strong institutional basis, as found in Germany with its Works Constitution Act, poses questions about the ongoing viability of these cases and the likelihood that they will be diffused to other sites. Workers also operate in an industrial relations environment in which collaboration between labour and management is at odds with the traditional adversarial system which has long prevailed. Yet the success of these two cases, which are cited as examples of international best practice in the area of worker participation in decision-making, may set a pattern for other enterprises and industries which are seeking an alternative to past approaches.

The four papers in this symposium demonstrate that certain requirements must be fulfilled if employee participation in work organisation is to become more widely diffused. Whether the indirect representative approach is adopted or direct workplace participation is preferred, major changes may be required in management attitudes and behaviour. Similarly, employees and their unions need to be willing to engage in collaborative activities with management. To be effective, work teams and other participative bodies must be involved in significant decisions and participation should extend throughout all levels of an enterprise. In each of the three English-speaking countries featured in this symposium, there is the absence of a widespread and uniform mechanisms for worker participation as found in some other economies, such as Germany. While this remains the dominant approach, it is likely that examples of effective employee participation in work organisation will remain rather fragmented and isolated, despite their individual merit.

Reference

Davis E.M. and Lansbury R.D. (eds) (1996) *Managing Together: Consultation and Participation in the Workplace*, Longman, Melbourne.