Direct Participation in Work Organization: A Survey of Recent International Developments

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Abstract

For more than a decade, employer-driven changes in work organization have been spreading in all industrialized countries. The changes often involved greater opportunities given to workers at shopfloor for participating in work-related decision-making as individuals or as groups of employees. Debates among researchers and practitioners on such development tend, however, not to be well focused, due to the ambiguity surrounding such direct participation. This paper therefore attempts to clarify the various forms of direct participation, the objectives they seek to attain as well as their effectiveness. The author also calls for greater union role in the regulation of direct participation.

1. Introduction

For the past decade or so, significant changes have been taking place in ways of organizing work in an increasing number of enterprises in all industrialized countries. Although the extent and the nature of the changes are not known with precision, it is clear that certain new concepts of work organization are today attracting the keen interest of an increasing number

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of managers and workers both in manufacturing and service sectors. These new concepts, which are often diffused through case studies, management consultants, managers' accounts of their success stories, and informal networks of personal contacts among managers, are no doubt exerting significant influence on the directions of organizational changes being introduced.

A pervasive feature of the new forms of work organization lies in various arrangements for involving employees in work-related decisions at the shopfloor. Seen from the workers' viewpoint, such employee involvement is often called 'direct participation' in contrast with 'institutionalized' or 'representative' participation, i.e. participation through trade unions or other representative bodies of workers. This paper seeks to identify the various types of arrangements for direct participation, which are used today in industrialized countries, and determine the effects of direct participation on the degree of the influence which workers exert on the contents of their work and on other work-related issues.[1]

The term 'direct participation' has recently been defined by a team of researchers working in a project (EPOC) of the European Foundation for the Improvement of Living and Working Conditions, as follows:

> Opportunities which management provide, or initiatives to which they lend support, at workplace level, for consultation with and/or delegation of responsibilities and authority for decision-making to their subordinate either as individuals or as groups of employees, relating to the immediate work task, work organization and/or working conditions.[2]

Although we have basically adopted this definition in our analyses, we have introduced slight modifications of nuances into it. Firstly, direct participation we are discussing is not limited to the outcomes of explicit managerial action. It may result from workers' spontaneous action or from pressures exerted by organized labour. Secondly, although we do not totally exclude 'working conditions' from the scope of direct participation, they will nevertheless be discussed only to the extent which they affect work organization, as we have defined. Thirdly, our definition includes the breadth of job definitions as a criterion for measuring the degree of direct participation. This is because the broader a job is defined, the greater the judgement and discretion which workers can use in carrying out their work are.

From the managerial perspective, other terms, such as 'employee involvement', 'participative management' and 'employee empowerment', are often used to refer to about the same practice, although they have never been precisely defined.

Thus defined, direct participation takes a variety of forms. In order to facilitate the comparison of various systems, it is useful to make a basic distinction between participation through normal work (so-called 'on-line' participation) and participation outside normal work (so-called 'off-line' participation). The former includes *(i)* the use of judgement and discretion by workers in carrying out their work, including in the establishment of working methods and work speed, and *(ii)* more or less autonomous teamwork. The latter (i.e. 'off-line' participation) includes *(i)* quality circles and similar group activities, *(ii)* ad hoc development or study groups formed by workers and supervisors, a characteristic feature of the institutional arrangements used in Scandinavian countries for the introduction of organizational and technological changes, and *(iii)* institutionalized upward communication, e.g. through 'groupes d'expression' in France, or 'employee talks' in Bertelsmann AG in Germany. The 'off-line' participation is normally an advisory form of participation, as workers make suggestions and recommendations concerning possible changes in work organization. On the other hand, 'on-line' participation tends to give workers decision-making powers on specific issues. Thus, in many (but not all) cases, the distinction between 'off-line' participation and 'on-line' participation roughly corresponds to the distinction between 'consultative' participation and 'delegative' participation, made by the above-mentioned EPOC project team of the European Foundation for the Improvement of Living and Working Conditions.

In practice, however, 'on-line' participation and 'off-line' participation are often closely intertwined. For example, where QCs are integrated into the company-wide efforts at continuous improvement (e.g. Kaizen) of quality and productivity, changes in standard working methods are often studied and proposed through QCs. The borderlines between the two types of participation becomes even more blurred where – as is the case with most QCs in Japan – QCs are formed on the basis of a work unit. The 'Q1 groups' in the plastics plant at Broadmeadows of Ford Australia, referred to in our Australian chapter, also involve both 'on-line' and 'off-line' direct participation of workers.

This paper focuses on teamwork, as an example of on-line direct participation, and on QCs, project groups and upward communication, as examples of off-line participation. It does not discuss the use of judgement and discretion in work by individual workers in the absence of teamwork, because of insufficiency of information. This paper does not either discuss the technique of 'management by objectives (MBO)', a management technique that could be regarded as a method of direct participation. The application of MBO is reported in some of the case studies we carried out

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in Japan and Sweden. It can be conducive to direct participation, to the extent that workers participate in the setting of the objectives of their own work, and that management leave workers relatively free to decide how to achieve the objectives thus set. This management technique first attracted the keen interest of many managers in the 1960s as a possible remedy for the negative effects of the alienating work systems of that time, but subsequently fell into relative oblivion. However, certain revival of interest in it is today discernible in some countries, e.g. Japan, where a recent survey of 300 large enterprises showed that more than 40% of them were experimenting with this technique.[3] MBO is more widespread with respect to white collar workers, in particular in sales and other sectors in direct contact with customers, where numerical objectives can be set relatively easily. However, in some companies, at least in Japan, MBO has also reportedly been introduced into manual work.

2. Teamwork

Teamwork is one of the key elements of most recent initiatives in transforming work organization in Western industrialized countries. It makes flexible job assignments easier, and provides greater opportunities for skill upgrading, than the rigid individual work assignments in the traditional Taylorist organization. Teamwork can also be instrumental for enhancing democracy at workplace, by enabling workers to influence the contents of their work through certain degree of autonomy granted to the groups.

The available evidence indicates a notable spread of teamwork in many industrialized countries. However, the available statistical data on the extent of its diffusion is patchy. They should also be used with caution for comparative purposes, because, as explained in more detail shortly, the concept of teamwork varies widely from one country to another, and even from one enterprise to another within the same country. Nevertheless, it may be useful to attempt to estimate the degree of diffusion of this practice.

The Swedish car manufacturers Saab and Volvo have been experimenting 'autonomous (or semi-autonomous) group work' extensively for many years, in particular in some of their assembly plants. However, there seems to be a shortage of statistical data enabling us to measure the extent of the diffusion of such autonomous group work, and group work in general for that matter, in this country as a whole. The available evidence suggests that, despite the world wide reputation acquired by the experiments in a number of Swedish establishments in the automobile industry, group work might not be so pervasive a feature of work organization in Swedish industry as a whole. In Japan, work organization is traditionally based on groups both

among blue-collar workers and white-collar workers. For example in the automobile industry, virtually all production workers – which represent about 2/3 of automobile workers – are reportedly working in groups.[4] However, a 1993 survey shows that 40% of the enterprises were placing a growing emphasis on individual job assignments, while only 25% were moving towards the further strengthening of their group-based work organization.[5]

In some other countries, group work began to spread more recently, but seems to be spreading relatively fast. In the United States, for example, a 1990 survey of Fortune 1000 companies showed that 47% of the companies had work teams (against 28% in 1987), but only 10% were applying teamwork to over 20% of their employees (against 7% in 1987); only in 1% of the companies, more than 40% of employees were involved in teamwork (this figure was the same in 1987).[6] In the German mechanical engineering industry, 29% of the companies reported to apply group work in 1991.[7] In the automobile industry, 22.2% of production workers were reportedly working in groups in 1994, a sharp rise from 9.5% in 1993. However, the figure goes down to about 17%, if we exclude Audi where groupwork had just been introduced and was not yet operational.[8] Only 6.9% of German workers as a whole were reportedly working in groups in 1993.[9] Our Australian chapter reports an increase of the percentage of the auto workers in formal work teams from 8% in 1988 to 47% in 1991. In Britain, the diffusion of teamworking seems to have been limited; it was originally limited to greenfield sites, but now spreading beyond them. The British Workplace Industrial Relations Survey (WIRS) of 1984 and 1990, each covering slightly over 2,000 establishments, showed that 2% of the establishments had introduced 'autonomous' work groups in the 1980 to 1984 period, as in the 1987-1990 period. The survey did not show how autonomous these groups were, or to what extent less autonomous teamwork was practised.

As mentioned earlier, the concept of teamwork is ambiguous. This ambiguity largely reflects the ambivalence existing in the objectives pursued by teamwork. Some people regard teamwork as a means of enhancing democracy at work. From this point of view, the most important criterion for evaluating different forms of teamwork is the degree of autonomy enjoyed by work groups. According to the holders of this view, the existing work groups could be classified into the following three categories:

(i) Group organization within the framework of a traditional shop-floor managerial structure. The group autonomy is limited. The role of group leaders tends to be linked to the organizational hierarchy.

(ii)Strong group organization, with a high degree of decentralization. The production groups perform a good deal of the traditional tasks of first-line management as well as some industrial engineering work. Group representatives are selected by the groups themselves.

(iii) Integrated teamwork. There is no first-line management of the traditional kind. The groups' areas of responsibility include working with staff employees responsible for such functions as product preparation and engineering.[10]

For other people, however, teamwork represents, above all, a means of enhancing the efficiency of work organization. The holders of this view value, above all, the positive effects of teamwork on the effectiveness of on-the-job training and the flexibility of work organization. They aim at striking the optimal balance between management control and employee initiative.

To be sure, these two objectives are not incompatible with each other. The advocates of autonomous group work are arguing that such work organization is conducive to high productivity. The holders of efficiency-oriented concept of teamwork also recognize the importance of respecting workers' autonomy in defined areas, as a condition for high performance of teamwork. Both approaches to teamwork can quote success stories to support their views (e.g. Saturn for the former, and NUMMI for the latter). Be that as it may, growing efforts are made today among researchers and social partners to develop forms of teamwork and work organization, that synthesize these two approaches into one model conducive to the enhancement of economically successful operations that produce mutual gains for both management and employees.[11]

The following lines analyse the variety of work groups in more details, by categorizing them into three types of team structure. This categorization is based not only on the degree of group autonomy, but also on their effectiveness as a means of flexibilizing work organization. The first type consists of teams composed of members of equal status. The second type consists of heterogeneous, segmented, teams. The third type consists of hierarchical, but homogeneous, teams.

(i) Homogeneous integrated groups

The first type of team structure typically characterizes work organization adopting the 'socio-technical systems' approach, developed by the Tavistock Institute of London.

This approach values group work, carried out by a self-selecting group of multi-skilled workers on a common pay scheme, working out for them-

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selves who should do what work.[12] Teamwork at the famous Uddevalla assembly plant of Volvo in Sweden (opened in 1989 and closed in 1993) was structured basically in line with this approach. Workers were working in small parallel teams, each team assembling entire cars (although in the first three assembly shops this was done in two steps) on static platforms in individual work cells. The factory organization was flat and decentralized: plant manager, shop managers, and work teams. It eliminated traditional first-line supervisors. Within each team, matters such as quality, finance and maintenance were handled by the team representative and by members specially selected for these tasks. All these functions were rotated at intervals determined by them.

With the closure of several 'avant-garde' factories in the humanization of labour movements (such as the Uddevalla and Kalmar plants of Volvo, as well as the Malmö plant of Saab) in the first half of the 1990s, experiments with autonomous group work for car assembly in Sweden have lost some momentum. However, a case study on the retail centre of Saab, carried out by Göran Brulin under our project, shows that experiments are spreading to other areas of the automobile industry. The main element of the organizational changes that were introduced since 1989 into this retail centre was a shift from functionally demarcated, individual work assignments (e.g. receiving goods, controlling incoming goods, or driving lift trucks) to assignments of work to teams. Within each team, every member can be trained to carry out all the tasks within the function of the team (including the role of a team leader). A team is empowered to distribute its tasks among its members, and set priorities in work. First-line supervisors have been maintained, but their role has changed, and now centres on such issues as target fulfilments and productivity follow-up. In some areas, there seems to be growing overlap between the functions of supervisors and those of team members, e.g. in contacts with supporting functions. As mentioned earlier, however, such work organization does not seem to be so widespread in Sweden.

Outside Scandinavia, this type of group work seems to be practised only in a small number of companies. In Germany, for example, only 0.6% of the mechanical engineering companies were reportedly using group work, which could be defined as homogeneous and integrated, since they were characterized by the absence of hierarchy among members, and the members were carrying out some planning activities and non-manufacturing tasks also, and – most importantly – had homogeneous and polyvalent skills, and rotated jobs among members.[13]

At the GM Saturn plant in the United States, the paper by K. Wever et al. shows that members of each team are trained to do all of the jobs assigned

to the team, and rotate through all of the jobs in their team, based on a schedule they themselves determine. Teams also do their own selection and hiring from a recruiting pool consisting of active and laid off GM/UAW employees. At the telecommunication company, BellSouth, outside craft workers (or linemen and cable splicers) as well as customer service representatives are working in homogeneous 'self-directed teams', which have absorbed the administrative tasks for the work group and the job of coordinating with other departments, both of which were formerly assigned to supervisors. However, it is noteworthy that, although each team is composed of a homogeneous workforce, there is a relatively rigid division of functions among different teams, each team consisting of workers in one occupational group.

Such homogeneous integrated teamwork needs to be supported by an adequate pay system for its successful implementation. The traditional pay systems of Western countries, which link pay to detailed job classifications, are increasingly felt inadequate. Accordingly, a new, competence-based wage system – linking pay levels to the range of skills employees have or the range of jobs they potentially can do, rather than to the job they are currently holding – accompanies some of the systematic experiments with autonomous group work. In others, work classifications have been drastically reduced. Thus, for example, the wage system at the Saab retail centre is linked to a ladder of qualification levels. In one of the teams, called 'Arnö 5', it takes 18 months of training for a worker to climb up to the top of the ladder; in addition he/she has to accept certain additional assignments (e.g. error detection after a customer complaint, or certain export-related paperwork). This linkage between individual competence and wages is a feature characterizing autonomous group work at Uddevalla also. Its wage agreement of 1988 provided for a 'trainee's wage' for new employees, which would increase in stages up to the standard wage. A feature, comparable to the competence-based wage system of Saab retail centre, was that this standard wage could be increased with a qualification bonus depending on how large a portion of the car's assembly the worker had mastered. Workers at the highest competence level would be able to build an entire car. Workers were required to have undergone training, built cars for at least 16 months, and then successfully passed a test of whole-car competence.

In general, however, the adaptation of pay systems seems to be lagging behind the spread of team-based work organization. Knowledge/skill-based pay has so far been fully implemented in a very tiny minority of the companies experimenting homogeneous teamwork. Thus, for example, Saturn does not seem to have introduced competence-based pay, although it has drastically reduced work classifications to one for production workers

and five for skilled trades,[14] a far smaller number of work classifications than in other GM plants. A survey carried out in 1992 among Fortune 1000 companies (with a response rate of 32%) showed that the number of companies using knowledge/skill-based pay in the United States increased from 40% in 1987 to 51% in 1990, but the companies applying it to 40% or more of their employees decreased from 8% to 5%.[15] An example of skill-based pay system is provided by some of Corning's plant, including its specialty cellular ceramics plant in Corning, New York. It incorporates a three-tiered skill hierarchy. All team members are required to achieve basic competence in four jobs through which they rotate regularly. Within two years, they must reach competence in all jobs at the second-tier level; beyond that, members specialize and together decide who is next in line to receive training and in which skill areas.[16]

(ii) Segmented groups

Teamwork through homogeneous integrated work groups is practised in only a tiny minority of workplaces in Western industrialized countries. In most experiments with teamwork, the job boundaries among workers are more or less maintained within a team. This tends to hinder effective cooperation among team members, and limit the degree of flexibility that can be introduced into work distribution within the team.

This is the case, for example, in the Australian automobile industry in which, as our Australian paper shows, the diffusion of teamwork between 1988 and 1991 was not accompanied by a significant increase in job rotation, suggesting the prevalence of the segmented forms of teamwork. Work groups at the famous Kalmar plant of Volvo were also heterogeneous. The plant was opened in 1974 as the world's first auto assembly plant without mechanically driven assembly lines.[17] Automatically guided vehicles (AGV) replaced mechanical conveyor belts, and the production flow was divided into twenty work areas, or teams. Each team, with fifteen to twenty assemblers, was responsible for a clearly demarcated function (e.g. dashboards). However, work organization within and among teams maintained many aspects of the traditional work organization. For example, although each team was responsible for assembly, inspection and adjustment, and materials handling, these tasks were strictly divided by job classification, with no rotation. The movement of the AGVs was not controlled by the assembly teams, but by the control centre, and changes in their pace were decided by the foreman in consultation with the control centre. Industrial engineers, possibly together with team leaders, prescribed work arrangements, methods and times. The foreman or team leader determined the distribution of work. At the initial period, a system of parallel

assembly enabled a team to perform its entire task at a single station, in so-called partial dock assembly. However, this system was abolished in 1984, and the Kalmar plant itself was closed in 1994. The wage system at Kalmar also bore no relation to teamwork. It consisted of a job assessment for different positions, attendance and seniority allowances, and a productivity bonus. There were neither individual competence steps within positions nor any group bonuses for increased responsibility.[18]

However, the demarcation lines between homogeneous group work and heterogeneous group work are often blurred. In many cases, what we call 'heterogeneous (segmented) group work' involves a relatively high degree of flexibility in work assignments within the group, as well as multi-skilling and the broadening of task definitions. In some cases, the frequency of job rotation within the group is quite high even in this type of group work. This seems to be the case, for example, of group work in many sectors of German industry, in particular in so-called system supervision teams, which have a relatively high and homogeneous level of skills and cope with relatively large facilities and manufacturing systems.[19] It has also been reported that group work in Germany tends to trigger off processes of self-selection in that those group members who are substandard in terms of performance and skills are pushed out of the groups.[20] In some enterprises, recent changes in the pay systems have facilitated the introduction of greater homogeneity in work groups. For example, a wage agreement at VW has linked wage grouping with a work system within which an employee works, rather than his actual jobs. A work system consists of diversified work tasks and group work, and an employee working in a system earns a fixed wage for being able to meet the requirements of the system.[21]

Work teams at Bertelsmann AG, which Urlich Pekruhl studied for our project, retain differential qualifications of workers within a group, but the tasks are broadly defined and members are expected to stand in for each other. Team leaders are appointed by management, and are hierarchically superior to the team members. The available information on companies in other German industries, in particular the automobile industry, points to a significant variety existing in the methods of appointing team leaders, ranging from elections among team members to the appointment by management of hierarchically superior workers, through a variety of intermediary methods, e.g. consensus among the works council, the supervisor and team members.[22] Many enterprises still seem to be in the process of groping for the suitable methods of appointing team leaders.

There is often a variety of group structures within a plant. At Olivetti, for example, workers in the units (UTI) responsible for the final assembly of personal computers, are in one job classification and carry out all the

tasks of the unit, while those in UTIs in production areas – such as 'electronic boards production', 'mechanical parts production', 'printers production', etc. – belong to different job classifications.[23]

Even in segmented teamwork, new knowledge/skill-based pay systems are often experimented. Our case study on Ford Australia refers to the establishment, by an industry-wide agreement of 1989, of a so-called Vehicle Industry Certificate, and the introduction of knowledge/skill-based pay classifications, comprising three levels of skills from induction to a full certificate holder. These classifications are more broadly based and generic in nature, than the previous ones which identified individual employees by narrowly defined job classifications.

In many cases, heterogeneous (or segmented) teamwork represents transitory forms of teamwork. When a plant decides to organize work in groups, instead of assigning work individually, it is often felt desirable not to destabilize the existing work practices brutally. As a consequence, changes tend to be introduced gradually, e.g. by temporarily retaining job classifications, but reducing their number. As teamwork has only a short history in many enterprises, it has so far not had time to acquire its definitive form. Therefore, it may well be that many of the current experiments with segmented teamwork lead to more homogeneous forms of teamwork in the not so distant future.

(iii) Hierarchical, homogeneous teams

The question as to whether or not the predominant pattern of work organization in Japan can be characterized as 'teamwork' often gives rise to controversies. It could be regarded as teamwork in that, within the basic work unit, the assignments of the members of the unit are not rigidly divided along the line of functions, and each member of the unit is trained to be able to carry out several tasks among those assigned to the unit, so that workers can help or replace each other within the same unit whenever this becomes necessary. However, this does not necessarily mean that work assignments are team-based; indeed, in many cases, all team members do not carry out all tasks or distribute them as they feel suitable for each operation. The practice varies significantly with sectors. In the automobile industry, for example, work organization for blue-collar workers can be characterized as based on individual work assignments – in that each worker is assigned a bundle of tasks, which he carries out in strict compliance with the standard working procedures. However, these work assignments are flexible, and can be adjusted to changing circumstances; the polyvalency of workers, which is developed through systematic job rotation, facilitates such adjustments.[24]

This characterization also applies to a large extent to the production work in other industries, but significant variations are also notable. The study of a pharmaceutical company, carried out by M. Mine under our project, has shown that the individual nature of work assignments is relatively marked in units where work consists of a series of minor processes, each requiring specific knowledge and skills of a considerable depth and width (as in the process of making the medicinal semi-products), as well as in groups responsible for machines of small size; on the other hand, work with a large machine tends to be assigned to a group as a whole. His study of a beer brewery company has also shown that work consisting of process monitoring and control tends to be assigned on a group basis.

In the white-collar sector also, several case studies conducted by Mine under our project suggest the predominance of individual, but flexible, work assignments in group-based work organization in Japan. This is true of the front-bell jobs in a hotel in Tokyo. They consist of 7 unit functions, and each function is in turn composed of 3 to 13 representative tasks. Each member of a group is assigned a bundle of tasks, but a particular task is assigned to several members, often of different skill levels. In the sales units of a beer brewery company, each member of 2 groups responsible for retail shops is assigned tens of retail shops in a particular area, but helps each other when necessary. There are cases of group-based task assignments, as with clerks delivering residence certificates in municipal offices; each clerk normally performs the whole range of (increasingly standardized) tasks of an entire section from the beginning to the end. Nevertheless, individualized flexible work assignments appear to be a more widespread feature of work organization in the white-collar sector of Japan.

Another structural characteristic differentiates group work in Japan from the 'homogeneous integrated groups', discussed above. Each group is composed of members with different levels of seniority, and accordingly with different levels of skills. In other words, groups are hierarchically structured. Their members – and the groups themselves – are integrated into the hierarchical lines of authority within the enterprise. Group leaders are nominated by management, and not elected by members of the group. Thus, a typical group work in Japan cannot be regarded as an instrument for enhancing democracy at workplace. However, groups are homogeneous in that their members are on a continuous pay scheme, and are expected to move upward in the group as they acquire seniority and new skills.

Work study is extensively applied with a view to breaking down the work of the group into basic tasks with different degrees of difficulty; but several minutely defined basic tasks are then bundled to form the function of each worker; the same tasks are purposefully assigned to several workers – often

at different levels of experience – in order to encourage mutual support and on-the-job-training, and the job rotation is frequent within the group. The tasks for which the group is responsible have a variety of degrees of complexity and difficulty. Newly recruited workers – and temporary workers, where they exist – are normally assigned simple tasks (sometimes a single task), and gradually widen the span of their skills – and upgrade them – through a systematic job rotation and on-the-job-training (OJT). The team leader and senior members of the group are expected to be able not only to carry out all the tasks of the group on their own, i.e. without any guidance from others, but also to guide and advise poorly experienced members of the group. Thus, teamwork provides a highly effective framework for on-the-job training in Japan.

The question as to whether or not it should be called 'teamwork' seems a semantic question. It is clear that typical work organization in Japan is group-based; a group as a whole is responsible for a work process, and jobs are assigned to members flexibly. A group tends to become a channel for representing interests of its members vis-a-vis management, group leaders often playing the key role in such interest representation.

Group work in Japan can be properly understood only if it is viewed in the context of the employment system prevailing in the country; the characteristic features of the system include the long-term employment relationships within a particular company, as well as the recruitment of fresh school graduates without any occupational skills. Under such an employment system, it is necessary, and feasible, to train workers on the job; group work is a highly effective instrument for such on-the-job training.

2. Off-line Participation of Workers

While teamwork enhances the possibility for workers to participate in work-related decisions within the normal day-to-day work processes, there are other arrangements that enable workers to influence such decisions outside the normal day-to-day work processes. For the sake of simplicity, we refer to the participation through the latter arrangements as 'off-line participation'. The arrangements include quality circles, ad hoc project teams set up to develop new work organization (often in the context of the introduction of new technology or equipment), and other opportunities given workers for expressing their views on work organization.

(i) Quality circles

QC-type arrangements, which are a widespread feature workplaces in Japan since the 1960s, began to spread in some Western European countries in the early 1980s, and in the United States a little earlier. Subsequently, there was a certain decline in interest in this type of employee involvement among both managers and workers. Many QCs disappeared a few years after their formation; many others were in the process of extinction, or existed only on paper. The fact that QCs, as operated in many Western enterprises, constituted parallel organizational structures based on the principle of voluntary participation, made its integration into the normal company activities difficult, often provoking suspicion among middle managers and disenchantment among workers.

However, there seems to have been a notable revival of interest in this form of direct participation recently. Today, in such countries as Japan, Sweden and the United States, well above 50% of establishments seem to have QCs, although the percentage of employees who are QC members varies significantly among these countries. In the United States, 66% of the Fortune 1000 companies were using QCs in 1990, but 36% of them were involving only 20% or less of the employees. This represents a rise from the 61% of the companies using QCs in 1987.[25] Another recent survey showed that 62% of the establishments in the United States had QCs, and 27% of the employees in this country were QC members, while the corresponding figures for Japan were 81% and 76%.[26] In Sweden, a 1991 survey showed that QCs were used in 62% of the establishments in the public sector, and in 53% of the establishments in the private sector.[27]

In some other countries, the percentage of the establishments with QCs is significantly lower, but still substantial. In France, for example, according to a 1993 survey of 3000 establishments with more than 50 employees, carried out by the Ministry of Labour, Employment and Vocational Training, 33% of them were operating QCs in 1992, which represented a significant increase from 23% in 1990; they were particularly widespread in the manufacturing industry.[28] In the United Kingdom, the Workplace Industrial Relations Survey (WIRS) of 1990, covering a little over 2,000 establishments with 25 or more employees, showed that 35% of all establishments, 23% of private manufacturing establishments, and 45% of public sector establishments, had QCs or other problem-solving groups.[29] In Australia, a nation-wide survey of workplace industrial relations, carried out in 1989-1990, showed that 13% of the workplaces with at least 20 employees had QCs, and 20% of the employees in these workplaces were involved in QCs.[30] The article by Lansbury and Davis refers to 14 'Q1 groups', established in a plastics plant at Broadmeadows of Ford Australia,

and composed of employees from a range of hierarchical levels from the shop floor to senior management; group members are expected to discuss the full range of quality issues. The introduction of QCs into Italy took place relatively late. Perhaps because of that,[31] interest in QCs was sustained throughout the latter half of the 1980s and well into the 1990s. In 1987, about 300 firms were estimated to be experimenting with about 800 QCs, while 400-500 firms were estimated to have active quality circles at the beginning of the 1990s. A 1989 survey of the 200 largest companies showed that 24% of them had active quality circles.[32]

Among the countries where QCs have not made significant inroads is the Netherlands. This may be because there is an alternative mechanism for direct participation, namely 'work consultation' (werkoverleg) to be discussed later.

In general, where a decline of interest in QCs is discernible, this often means only that there is a growing awareness of the ineffectiveness of QCs as an isolated measure of direct participation. As a result, there seems to be a trend towards their integration into broader efforts at improving the efficiency and quality of the operation of the enterprise as a whole. Such a holistic approach to quality enhancement, instead of an approach focusing on production issues, has prevailed in Japanese enterprises for a few decades under the name of Total Quality (TQ) practices, and was theorized in the United States towards the middle of the 1980s as 'Total Quality Management' (TQM).

It is still too early to say whether or not TQM is only one of those management fads that have been invented in the past few decades and have fallen into oblivion after a short period. However, it deserves scrutiny because it is exerting strong influence on management philosophies in the United States, where the Department of Commerce in 1988 instituted the Malcolm Baldrige National Quality Award to be given annually to companies that have outstanding total quality practices. By 1993, about 500 applicants had reportedly entered the competition, and hundreds thousand others had requested copies of the award criteria and application.[33] According to the 1990 survey of Fortune 1000 companies, 77% of the companies said that some of their employees were covered by total quality programmes; on the average, 41% of employees in companies with TQ programmes were covered by them. Also 17% of the companies surveyed covered 100% of their employees with TQ programmes of some kind.[34] The TQM concept has widely spread in other Anglo-Saxon countries, such as Australia and the United Kingdom, and is gradually spreading in other Western industrialized countries. The 'Q1 groups' at Ford Australia, referred to by Lansbury and Davis, reflect the influence of TQM philosophies

in the strong emphasis they place on customer satisfaction and good coordination with upstream suppliers.

What concerns us in TQM is the weight attached to employee involvement in problem solving as an element of good total quality practices. At least until recently, TQM has attached only minor importance to employee involvement, or human resource issues in general for that matter. For example, the Baldrige Award allocates 85% of the points for improvements in management methods and processes, and only 15% for improvements in human resource practices. Employee involvement is given only 4% of the points.[35] The 1990 survey of Fortune 1000 companies identified the following practices as elements of TQM: direct employee exposure to customers, self-inspection, work simplification, cost-of-quality monitoring, collaboration with suppliers in quality efforts, just-in-time deliveries, work cells or manufacturing cells. Nevertheless, the available evidence shows that, in practice, organizations with a greater commitment to employee involvement tend also to have a greater commitment to total quality, and TQM practices are stronger and more likely to be sustained over time in settings where they incorporate principles of teamwork and employee involvement.[36]

(ii) Project groups

While QCs are often faced with difficulties in maintaining their initial dynamism after completing one project, another type of mechanisms for employee involvement, namely ad hoc project (or development) groups do not have this problem, because they are set up to deal with specific problems. In Scandinavian countries, projects (or development) groups – which are mostly established jointly by unions and management – have for many years been the principal channel for employee involvement in work-related decisions, in particular in processes of introducing technological and organizational changes into workplaces. These are in essence study groups in which labour and management cooperate in search of the ways of introducing particular changes that are most propitious to the achievement not only of a high level of efficiency but also of a good working environment, stimulating work and secure employment. These groups are often formally composed by management representatives and union members only. However, in the Swedish context of a very high union density, the distinction between union members and individual workers tends to lose much of its significance. This is all the more so because employers reportedly tend to address themselves to an employee in a project group as the occupant of a particular position with a particular competence, rather than as a representative of a union.[37] It is also noteworthy that the participation of individ-

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ual workers in development (or project) groups is in line with the provisions of the private sector central co-determination agreement – the Efficiency and Participation Agreement (UVA) of 1982 – which stresses the desirability of individual employees participating directly in co-determination.

This practice of establishing project (or development) groups ad hoc for facilitating the introduction of technological and organizational changes, is not unknown in countries outside Scandinavia. In Japan, the practice of forming a project group composed of engineers and experienced production workers, with a view to solving problems arising in the process of introducing new technology or new forms of work organization, as well as in the process of preparing the opening of new plants, is quite widespread. One notable feature of most project teams in Japan lies in the scarcity or absence of union influence on their formation and functioning, perhaps with the exception of some unions in public sector organizations. However, noteworthy exceptions are often found in the public sector, as is the case with the Shibuya Special Ward where project teams were introduced under a collective agreement between the management and the union.

In other countries also, the establishment of ad hoc groups for direct participation of workers is relatively frequent. The Australian workplace industrial relations survey, referred to earlier, reports that 25% of the workplaces with at least 20 employees has had ad hoc task force; the figure rises to as high as 43%, if we consider only the public sector. A case study on Australia Post, carried out by Lansbury and Davis under our project, reports a workplace 'action' group, set up in Melbourne to pave the way for the introduction of OCR/FSM. The group, composed of six shopfloor representatives, a shop steward, two union officials, an OCR/FSM project officer, a supervisor and a manager, discussed such issues as floor layouts and identified and resolved some potential problems including sorting procedures. The 1990 survey of Fortune 1000 companies in the United States, referred to earlier, showed that 86% of the companies had participation groups other than QCs (a significant increase from 70% in 1987) – 22% covering more than 40% of employees – but we do not know what percent of these groups were set up ad hoc, or how they are composed.

(iii) Institutionalized upward communication

The third type of opportunities for 'off-line' direct participation is provided by various arrangements for regular upward (or two-way) communication between management and workers. This practice is widespread in such countries as France, the Netherlands and the United Kingdom. The degree of influence which workers can exert on work organization throuh such upward communication varies widely. In France and the United Kingdom,

communication arrangements providing for relatively weak workers' participation in work organization, focusing on communication rather than on consultation, are the main methods of direct participation in general, and 'off-line' direct participation in particular. Thus, in France, according to the above-quoted 1993 survey by the Ministry of Labour, regular workshop meetings under management supervision (réunions d'atelier, de bureau ou de service) were held in about 70% of the establishments in 1992 (in half of which more than 7 such meetings were held in the same year). This represented a significant increase from 59% reporting the holding of such meetings in 1990. In the United Kingdom also, the 1990 WIRS has reported that similar meetings, i.e. 'regular meetings (at least once a month) between junior managers/supervisors and all the workers for whom they are responsible', were held in 48% of establishments (according to managers) – a sharp increase from 36% in 1984 – and constituted the most prevalent form of direct participation, apart from 'systematic use of the management chain for communication with all employees', which can hardly be called a participatory arrangement. More generally, two-way communication was introduced into more establishments than other methods of direct participation in both the 1980 to 1984 period and the 1987 to 1990 period, although the speed of the spread was slowed in private manufacturing establishments, and accelerated in the public sector, during the second period.

In France, an Act of 1982 instituted another channel of upward communication, by granting workers the right to express their views individually in group meetings at workplace. The Act made incumbent upon employers to take the initiative in negotiating an enterprise agreement with representative unions on the modalities of the operation of such group meetings, called 'groupes d'expression'. Unlike QCs, which are focused on productivity and quality improvements, the 'groupes d'expression' cover a wider range of issues. Indeed, from the beginning, the improvements of working conditions have been one of the main objectives pursued by the groups, although a 1986 amendment to the Act expanded their competence over the organization of work and production. A recent government report shows a significant rise in the number of enterprises where agreements on 'groupes d'expression' are in force; in 1989 about 65% of enterprises with trade union delegates were covered by such agreements.[38] Thus, the statutory institution of direct participation through 'groupes d'expression' has largely succeeded in achieving one of its main objectives, namely giving trade unions a role in determining the modalities of direct participation, in the context of its rapid spread under managerial initiatives.

On the other hand, this statutory institution of the workers' right to express views on work-related issues seems to have largely failed to achieve

another main objective, namely strengthening workers' voice at workplace.[39] Many groups stopped meeting after only one or two meetings. In many cases, the functioning of groups were excessively formal, involving written demands submitted by groups and also written replies from management, thus excluding any possibility for meaningful dialogue. This led to a rapid disenchantment among workers.[40] Moreover, since the late 1980s, as changing markets have highlighted the importance of organizational flexibility, quality, optimization of production systems, the 'groupes d'expression' have tended to be replaced by other mechanisms of employee involvement, that are more geared to the improvement of productivity and competitiveness, such as QCs and other total quality arrangements. Another cause of the decline of the 'groupes d'expression' is attributed to the failure of trade unions and other representative bodies within the enterprise to integrate these group activities into the process of the formulation of their strategies and demands. For example, views expressed by workers in these group activities have not been effectively reflected in bargaining activities. As a consequence, the major changes in technologies and work organization have reportedly been introduced mostly without consultation with 'groupes d'expression'.[41] This relative unpopularity of these groups is reflected in their slow spread. Indeed, in contrast with the above-mentioned rapid spread of QCs between 1990 and 1992, the percentage of the establishments with 'groupes d'expression' was almost stable between the same period (28% and 29.9% in respective years).[42]

In the Netherlands, so-called 'work consultation' (werkoverleg) – namely 'regularly held, more or less structured mutual communication between the leadership (of a working unit) and the employees as a group, about work and the work situation'[43] is widespread. According to a 1992 survey of a representative sample of 1,578 organizations with at least 10 employees, 'work consultation' is carried out in 41% of the Dutch firms. This shows a significant spread of the practice since 1977, when 21% of the Dutch firms were estimated to be carrying it out. 84% of the meetings in 1992 were reportedly chaired by the direct supervisor. Two other characteristics are noteworthy. Firstly, the range of issues discussed in 'work consultation' is even wider than that discussed in 'groupes d'expression', and include such issues as work assignments, work scheduling, working procedures, training, personnel issues, safety, health and well-being, working conditions, general organizational issues and technological developments. Secondly, the degree of workers' influence is often stronger than in the cases of participation through 'groupes d'expression' or through 'QCs', because 'work consultation' often goes beyond consultation to become joint decision-making.

A case study on Bertelsmann AG in Germany, carried out by Ulrich Pekruhl under our project, reports the existence, in most companies of this corporation, of established mechanisms for employee consultation, called 'employee talks' (Mitarbeitergespräche). The structure of these circles vary significantly from one company to another within the Bertelsmann group, some being set up at the level of a department, and others at the level of a work unit. These circles enable employees to discuss, with managers, a wide range of issues including technological and organizational changes, quality, safety and health, and working hours. There seems to be certain similarity with the French 'groupes d'expression', but 'employee talks', unlike the 'groupes d'expression', enjoy a right to take decisions under certain conditions. There is also certain similarity with the Swedish project groups in that these circles integrate representative participation and direct participation; indeed workplace workers' delegates and/or works councillors normally participate in 'employee talks'. There is no data showing the extent of the diffusion of such a practice among other enterprises in Germany.

4. Conclusions

This paper has focused on the typology of direct participation, and highlighted a considerable variety of arrangements for direct participation, existing in industrialized countries. Recent arrangements have mostly been introduced at the initiative of management, and are designed above all to make work organization more flexible and more responsive to the volatile demands of markets, and to promote workers' contributions to a company-wide drive at continuously improving quality and productivity.

Nevertheless, although ultimately aimed at achieving the managerial objective of higher competitiveness, the arrangements for direct participation often enhance the degree of the influence which the workers can exert on decision-making on certain (often limited) work-related issues. The issues on which workers can exert influence vary widely from one arrangement to another. Among notable issues covered by direct participation in some arrangements are the following: the establishment of standard working procedures; their adjustments – and generally the solution of problems arising – in the context of the introduction of new technology or of new production systems; work assignments; work scheduling and working hours. Moreover, direct participation is sometimes linked with the transformation of the contents of work, that traditionally tended to be monotonous and repetitive, into more broadly defined ones allowing the use of multi-skills.

This ambivalence existing in the implications of direct participation has made the formulation of effective union policies difficult. Accordingly, the diffusion of direct participation today constitutes a challenge to the trade union movement. Some unions are opposed in principle to management-orchestrated direct participation. They generally regard direct participation as a managerial device to exploit workers more efficiently, by appropriating workers' knowledge and seeking to hide the fundamentally divergent interests of employers and workers as well as the inequality in power existing between them. On the other hand, some other unions regard direct participation as an opportunity for improving the quality of work and increasing workers' influence at shopfloor. They generally seek to participate actively in work reforms through representative forms of participation (including collective bargaining). The third group of unions regards work organization in general, and direct participation in particular, as a managerial issue, and does not seek to influence it.

Although union policies will vary with the ways in which management introduce and operate direct participation, neither systematic opposition nor indifference to direct participation seems to be a viable union policy. Workers' attitudes to direct participation tend to be ambivalent. On the one hand, they are generally concerned that it might result in harder exploitation of their resources. On the other hand, they tend to welcome the challenge and recognition which are often implied in direct participation. This is why, in a some cases, union efforts to prevent the implementation of direct participation have failed (sometimes even resulting in the weakening of the unions at the workplace) because workers disavowed the union efforts. Unions cannot either remain indifferent to direct participation, as workers today are increasingly concerned with the intrinsic rewards of work. If unions remain incapable of responding to workers' needs in this area, the latter would get disinterested in unions and be totally absorbed into management-controlled schemes for direct participation. Unions thus do not seem to have an alternative to developing proactive policies on direct participation, with a view to influencing the process of its implementation. This would involve new burdens on union resources. However, the acquisition of new expertise on labour processes, through their work on direct participation, could lead to the rejuvenation of the source of union power, and open up new areas for labour relations.

Notes

1. This paper reports some of the findings of a research project on workers' participation in work organization, which the ILO implemented in 1993 and 1994, in collaboration with researchers from a number of industrialized countries. In addition to the authors of articles in this special symposium, the contributors included Göran Brulin, Ulrich Pekruhl, Luciano Conforti, Manabu Mine and Robert Tchobanian. A report of the findings of the project, which concern work organization as an issue of labour relations, is planned to be published in the forthcoming issue of the International Labour Review.
2. European Foundation for the Improvement of Living and Working Conditions, 1994, p. 2.
3. Asahi-Shinbun, 8 June 1995.
4. IMF-JC, 1994, p. I00.
5. Ministry of Labour, Koyo Kanri Chosa, 1993.
6. Lawler, Mohrman and Ledford, 1992.
7. Sauerwein: Gruppenarbeit im westdeutschen Maschinenbau: Diffusion und Merkmale – Ergebnisse des NIFA-Panels 1991 und 1992. Sonderforschungsbereich 187 Ruhr-Universität Bochum, Arbeitspapier Z2-1/93. Bochum; quoted in Fréhlich and Pekruhl, 1995.
8. See IG-Metall, quoted in IMF-JC, 1994, p. 172.
9. M. Kleinschmidt and U. Pekruhl, 'Kooperation, Partizipation und Autonomie: Gruppenarbeit in deutschen Betrieben', in Fröhlich and Pekruhl, 1995.
10. This categorization is based on that set out in Berggren, 1995. We have introduced a few alterations.
11. Kochan and Osterman, 1994.
12. Trist, Higgin, Murray and Pollock, 1963.
13. Sauerwein, as quoted in Fröhlich and Pekruhl, 1995.
14. Kochan and Osterman, 1994, p. 61.
15. Lawler III, Mohrman and Ledford, Jr., 1992, p. 22.
16. Applebaum and Batt, 1994, p. 139.
17. Berggren, 1993, p. 120.
18. Berggren, 1993, pp.127 and 161.
19. Altmann, Köhler and Meil, 1992.
20. IMF-JC, 1994, pp. 371-372 and 391-392.
21. IMF-JC, 1994, p. 372.
22. IMF-JC, 1994.
23. Based on an interview with Enzo Robiati, engineering manager, and Franco Cossavella, manager in quality assurance, at Scarmagno plant of Olivetti on 14 July 1995.
24. See, e.g., Mine, 1994, and IMF-JC, 1994.
25. Lawler, Mohrman and Ledford, 1992, p. 27.
26. Lincoln, and Kalleberg, 1990, p. 82.
27. Edling and Sandberg, 1993 quoted in Fröhlich and Pekruhl, 1995.
28. Coutrot and Parraire: Le développement récent des politiques de motivation des salariés: une enquête du ministère du Travail; quoted in *Liaisons Sociales Document Spécial*, No. 90, July 1994.
29. Millward, Stevens, Smart and Hawes, 1992, p. 129.
30. Callus, Morehead, Cully and Buchanan, 1991.

31. Callus, Morehead, Cully and Buchanan, 1991.
32. Estimations were made by the Italian National Quality Circle Association, and Ida Regalia and quoted in Dieter Fröhlich and Ulrich Pekruhl, 1995, p. 29.
33. Applebaum and Batt, 1994, p. 129.
34. Lawler, Mohrman and Ledford, 1992, p. 95.
35. Applebaum and Batt, 1994, p. 130.
36. Kochan and Osterman, 1994, p. 50 and Chapter 4; and Lawler, Mohran and Ledford, 1992, p. 103.
37. Edlund, Hellberg, Melin and Nyström, 1989, p. 67.
38. Ministère du Travail, de l'Emploi et de la Formation Professionnelle: Bilan annuel de la négociation collective: 1989, La tendance, Paris, 1990, pp. 87-90.
39. Tchobanian, 1992; and Bernoux, 1989, p. 174.
40. Bernoux, 1989.
41. Tchobanian, 1994.
42. Coutrot and Paraire, quoted in *Laisons Socials*, 1994.
43. Loontechnische Dienst: Werkoverleg in het Nederlandse bedrijfslevel in 1992, quoted in Fröhlich and Pekruhl, 1995.

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