

Trade Unions and Industrial Competitiveness

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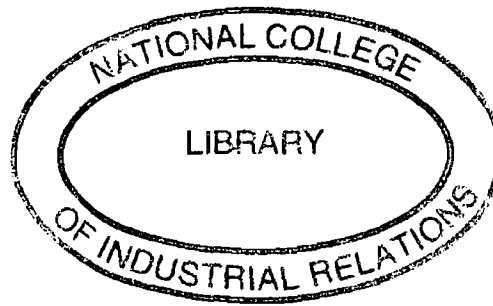
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This thesis is based on the candidate's own work and has not previously formed a part or a whole of a submission for a degree at any academic institution or equivalent thereof

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ABSTRACT

Trade Unions and Industrial Competitiveness

The current and potential role for trade unions in the strategic decision-making process of firms in the Irish Instrument Engineering Sector is examined in the light of the recent and ongoing debate within the Irish trade union movement on the question of how to react to changes being implemented by employers due to competitive pressures and technological developments. A theoretical and empirical enquiry based on a literature review, current union documentation, a sample survey and selected case studies.

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Preface

In a world which has purportedly witnessed the triumph of the free market paradigm (as opposed to that of the centrally planned economy) it is probably appropriate that issues relating to the competitive strength of both nations and companies have become elevated to some of the most outstanding economic questions of the day. Despite being so widely appealed to, however, the underlying determinants of 'competitiveness', as I shall attempt to show, are far from clearly delineated, and widely quoted measures often capture only a small range of the spectrum of attributes which might justifiably claim inclusion under its rubric. In addition, and leading us to the focal point of this study, economic agents such as trade unions, which have not previously defined their role in terms of competitive criteria, are beginning to adopt at least the terminology of the subject as the implications of its requirements become clearer and more directly related to the working conditions and employment prospects of their members. This development, as I shall outline, raises both practical and philosophical questions for all of those involved, and these can be reduced to issues of whether unions and managers can or should attempt to develop a relationship based either on active partnership or tacit cooperation.

The study takes as its starting point the recent ICTU-commissioned contribution to what has become a trans-national

debate, the document "New Directions in Work Organisation: Options for Unions". In seeking to establish the situation 'on the ground' in a chosen industrial sector, however, we have focused on certain practical aspects of the management/union relationship which would have to show practical development if the prevailing industrial relations regime were to be truly said to show evidence of evolution towards what has come to be referred to as the "New Industrial Relations" model.

In undertaking our enquiry we are naturally hoping for the kind of results which would manifest as either clear, significant statistical findings or unequivocal individual pictures emerging from the chosen case studies. We are conscious, however, that the process under study is as yet only at an early stage of its development, so early, in fact that numerous commentators advance plausible arguments (referred to later) that it is no more than a chimera, a blind alley, or an aberration wrought by transitory commercial and technological factors. It is not claimed that we can cast new light here on either the philosophical issues or the wider debate within the trade union movement. Rather we shall attempt to establish the current state of institutional development within a particular segment of the market (selected for its suitability mainly on technological grounds) which may or may not be an indication of the likely direction of future developments elsewhere.

Chapter One - The Nature of Competitiveness

Competitiveness is a simple concept, yet enough variables have an influence upon it to make its actual determination a complex process. For either a firm or a country which competes in a given market, competitiveness is that quality which enables it to gain market share at the expense of another. Clearly this quality will be composed of a large and disparate number of elements, not all of which may be amenable to direct measurement. Furthermore, the source of competitive advantage will vary among businesses, and the relative importance of such factors may change over the life-cycle of an industry. Some industries, for example, require scale in order to realise economies while others may need specialised labour. Some must seek central locations while others may locate in peripheral areas in order to take advantage of cheap labour. Nevertheless, some measure of competitiveness must underlie the success indicator(s) of any commercial enterprise, though its multi-faceted nature gives opportunity for differing interpretations at the broadest level. It has been said, for example (Porter, 1992: 503) that US companies often take profitability as their measure of competitiveness, while Japanese companies emphasise market share. British companies, by contrast, have often tended to adopt merger as an alternative strategy to outright competition as a means of achieving growth. At the national level, Governments of Newly Industrialising Countries, such as those of South East Asia, focus on GDP growth rates.

European companies, by contrast, have been said in the past to emphasise the sustainability of their market positions as a key indicator, though there is evidence of a reappraisal process at company, national and Community levels within Europe at the present time.

The "World Competitiveness Report" of the World Economic Forum (WEF, 1993) uses 330 competitiveness criteria, divided into 8 broad factor groups. These attempt to encapsulate the entire competitive environment of a country, in all of its political, social and economic elements. Any of these, however, can have an impact on the cost structure of the firm, either internally or externally. Their impact must thus be reflected somewhere among the conventional spectrum of cost components. These are widely considered to be the most accessible and measurable indicators of competitiveness, even though they can often disguise divergent trends within the cost base. Firstly, therefore, we will examine these conventional cost-based elements of competitiveness with a view to identifying their strengths and weaknesses and to assess where non-cost factors may be expected to show their effects.

Cost Competitiveness

Cost competitiveness measures, in their widest sense, could take account of all costed inputs to the firms' production process. This would include capital costs, Government taxes and levies, payments for goods and services to other firms

and public agencies, and payments for factor services. From our viewpoint is the latter element which will be of interest. Indeed, most commonly used measures of cost competitiveness focus on labour costs as these are typically the largest single cost facing the firm and the largest cost factor over which it may exercise an influence, at least once the locational decision has been taken. International comparisons are also facilitated by the fact that statistics on hourly earnings are available for most industrialised countries, at least for the manufacturing sector. Such measures typically take account of;

- Employment (E)
- Volume of Production (V)

Taken together, these two elements (when expressed in index form) yield a simple measure of productivity, in the form of Output Per Person (OPP), which is computed as;

$$OPP = V/E$$

This measure can be refined to take account of hours worked (H) to give Output Per Person Hour (OPPH), which is computed as ;

$$OPPH = OPP/H$$

Data for hourly earnings (in index form) are adjusted by the index of Output Per Person Hour to produce what is probably the most widely used measure of competitiveness, that of Unit Wage Costs, (UWC) . This is computed as follows;

$$UWC = HE/OPPH$$

In this formula, the changes in Output Per Person are balanced against those in Hourly Earnings such that a faster rise in the former relative to the latter lead to a fall in the Unit Wage Costs Index.

Unit Wage Costs, therefore, are an aggregate measure which captures the effects of changes in a number of different components. This gives it both advantages and disadvantages. On the positive side, it gives a single measure which is relatively easy to comprehend. It is also easily comparable between firms, between industrial sectors and between national economies. (In the latter case, the Unit Wage Cost measure is further adjusted by exchange rate movements to give a common currency measure).

On the negative side, the aggregate nature of Unit Wage Costs can cause it to give misleading results at any of these levels. Even for an individual firm, for example, a **fall** in unit wage costs could reflect productivity increases resulting from employment reductions where hourly earnings actually **rose**. And, of course, the measure would only be usable in cases where output is directly measurable, making it inapplicable in many service areas (and especially for those not traded on markets, such as public services). The UWC measure, therefore, is most appropriate for comparisons of productivity trends between manufacturing firms whose hourly earnings and employment patterns are similar.

Used at aggregate level for comparisons between industrial sectors or national economies, the composition of the Unit Wage Costs measure also renders it liable to mislead. In the case of Ireland, for example, the manufacturing sector is dual in nature, comprising a new, high technology¹, largely foreign-owned sector and a traditional, largely domestically-owned sector. This leads to an overall unit wage cost pattern which conceals highly divergent trends at sub-sectoral level. Typically, the largely foreign-owned leading sector shows a high rate of growth in output per person, while the rate of growth in the traditional sector is much slower. Combined with **a very similar pattern of earnings growth between the two sectors** this leads to steadily falling unit wage costs in the leading sector, while those in the traditional sector show a far slower rate of fall.²

This dualism in the structure of the manufacturing sector also means that changes in the composition of industrial output can affect measures of productivity growth. Where, for example, the share of total output accounted for by the high productivity sector is growing faster than that of the rest, total productivity will rise (and unit wage costs fall) even where actual productivity in each sector is unchanged.

¹ The leading, or high technology, sector is usually defined to include the Pharmaceutical, Office and Data Processing, Other Food, Electrical Engineering and Instrument Engineering sub-sectors.

² Based on work undertaken by the author in the Dept of Finance.

This makes productivity comparisons between countries with different patterns of industrial development difficult. And these patterns of industrial development in turn reflect, in part at least, institutional arrangements and labour characteristics, which are thus part of the overall competitive equation.

The significance of cost competitiveness is greater for relatively standardised goods and services. These constitute the core of the indigenous sector in Ireland. Many of these are also labour-intensive activities and therefore wage competitiveness represents a very significant part of overall cost competitiveness. Furthermore, the basis for assessing cost competitiveness in many of the employment-intensive sectors of the Irish economy is comparison with costs, and wage costs in particular, in the UK, our single largest trading partner. However, the more dynamic, foreign-owned, high-technology sector is increasingly moving away from production of such goods toward specialised and customised products. In these cases, quality, flexibility and speed of adaptation are very often more important than purely cost factors, and measures of cost competitiveness do not describe the salient competitive criteria of which the firm must take account. Therefore the areas in which we hope to build up our industrial base is one in which cost factors alone are no longer the overriding consideration.

Competitiveness in the Longer Term

The approach to measuring competitiveness which is based on cost indices and currency movements effectively assumes that factors such as infrastructure, education, attitudes to work, motivation and R&D do not alter significantly in the short-term in response to price or cost movements. Irish experience suggests that this is a safe and reasonable assumption. And yet, as the Committee noted,

"...for many services and industrial products it is quality factors and marketing effectiveness which essentially determine sales levels, and the relationship of these with cost trends is complex and indirect."
(Report of the Committee on Costs and Competitiveness, 1981: 17)

This means that indices based on price alone must fail accurately to measure true changes in competitiveness. In fact, it is productivity advantages, whether arising from capital endowments, human capital investments or other elements of infrastructure which allow some countries to sustain wage levels above those of others, without suffering a concomitant loss of employment. Such advantages, however, like any others, are subject to erosion over time as competitor countries upgrade their intellectual and physical infrastructure.

The significance of increased production from very low labour cost economies is such that cost reductions alone cannot be a satisfactory basis on which to build an employment strategy. In the low productivity indigenous sector, cost competitiveness in the short run is essential for survival.

In the medium to long-run, however, competitive strengths require a capacity to innovate, to develop new products, access new markets, apply new technology, incorporate best practice in the management of enterprises and to develop skill levels across the full spectrum of the labour force. The long-run performance of the Irish economy in this century has been said to reflect the negative consequences of a failure to innovate and to achieve high productivity performance in emerging markets. [Mjøset, 1992: 6] This deficiency focuses attention increasingly on the non-cost elements of competitiveness with which we are concerned and which are receiving more attention in the treatment of the topic itself.

The Changing Concept of Competitiveness

The recognition of the importance of other than strictly cost-based elements in the competitive mix, especially in the longer term, is reflected in the evolution of the concept of competitiveness itself. This will now be briefly examined. The original theory of competitiveness, as set out by Adam Smith and later expanded by Ricardo, focused on the relative asset endowments of nations in terms of Land, Labour and Capital. These underlay relative cost structures which determined the comparative advantage of nations and thus their competitive position in international trade. At the micro level, Smith and the other liberal economists (and the Marxists who adopted large parts of their analysis) saw the paradigm of the mass production mode based on specialisation

as the only way forward, and did not foresee any successor to it. Indeed, Smith's pin makers, have become the archetype of efficiency through sub-division of tasks (Smith, 1776: 109). Smith himself referred to this as the "natural path of opulence" (quoted in Piore and Sabel, 1984: 22). In Piore and Sabel's view, however, the success of this model, as embodied in the economic advance of the UK in the 19th century and of the US in the 20th, created a widespread presupposition that the competitive interaction which underlay it also determined its form; that it effectively formed the natural path of progress, shaped by the twin dynamics of the free market and the characteristics of industrial mass production.

Refinements to the theory of competitiveness have centred on the incorporation of new elements affecting the costs of traded goods, such as fluctuations in exchange rates. Recently, Michael Porter has developed a graphical exposition, known as the 'diamond' model which offers a means of representing the relative determinants of national advantage in any four dimensions of competitiveness. This model of comparative advantage describes a self-reinforcing system, where the dynamic cause and effect relationships among the determinants can cause their individual contributions to become blurred (Porter, 1992: 71-72, 179, 299).

It is with the first element in the Porter model, namely Factor Conditions, that we shall be concerned in this study. For, while Porters' model focuses mainly on endowments, he recognises that

"the stock of factors at any particular time is less important than the rate at which they are created, upgraded, and made more specialized to particular industries." (Porter, 1992: 74)

We shall be specifically concerned with the role of trade unions in achieving the flexibility necessary to facilitate this process and with the question of whether they can adapt to changes which affect their role.

Challenges to the conventional cost-based approach to competitiveness have come from some empirical findings, such as those in a surveys by Kellman (Kellman, 1983) which gave the apparently perverse finding that a drop in relative unit wage costs and export prices for the US and UK (due to exchange rate movements) had been accompanied by losses in world export share for manufacturing. By contrast, Japan and Germany had experienced a rise in export share despite an increase in relative unit wage costs. This provoked a debate between those who sought to salvage the traditional position through an argument that the Japanese, in particular, were adopting a dual pricing strategy between foreign and domestic markets, effectively accepting lower profits abroad in order to build market share, and those who pointed to the role of "unmeasured, non-price aspects of competitiveness" and in particular, "technological change, economies of scale and new

markets, but also better quality, service, financing and a better adaptation of products to foreign users". (OECD, 1992:241)

In response to this debate, the OECD put forward the concept of "structural competitiveness" which incorporated more holistic approach focused on the efficiency of management practice. The MIT Commission on Industrial Productivity also proposed such an approach, including consideration of organisational patterns and attitudes (including the use of human resources). (OECD, 1992:240).

The 1985 Report of the US Presidential Commission on Industrial Competitiveness also disputed the validity of purely cost and exchange rate based measures of national competitiveness. Its formulation set out considerations of fair market conditions for trade and the requirement that competitiveness for a nation remain consistent with maintaining and expanding the real income of its citizens.³ Four specific variables were identified;

- 1) Labour productivity
- 2) real wage growth

³ Porter's observation indicates the aforementioned difficulties in defining competitiveness in any operational sense: "What became clear to me during the term of the Commission was that there was no accepted definition of competitiveness. To firms, competitiveness meant the ability to compete in world markets with a global strategy. To many members of Congress, competitiveness meant a positive balance of trade. To economists, competitiveness meant a low unit cost of labour adjusted for exchange rates." [Porter, 1992: xii]

- 3) real returns on capital
- 4) position in world trade

The emerging structural model recognises that many of the most important factors arise from the interaction between firms and are thus "external", at least as viewed by conventional economic theory. Certainly, comparative advantage is no longer viewed as a virtually unchanging derivative of the set of national factor endowments. Indeed, rapid change is possible whether due to shifts in market demand or positive efforts by national authorities to break into or advance in certain fields. (OECD, 1992:248)

Finally, it can be noted that the debate on the meaning and implications of the competitiveness concept (especially at inter-country level) continues. Krugman points out (Krugman, 1994: 15-16) that, while the term may rightly be used with reference to the activities of both companies and nations, it can thereby conceal a fundamental difference in the nature of 'competition' between the two. Between two firms, any real competition must be zero-sum. Between nations the law of comparative advantage assures us that it will lead to (potential) gains for both. Krugman therefore states that;

"Competitiveness is a meaningless word when applied to national economies....the major nations of the world are not to any significant degree in competition with each other." (Krugman, 1994: 15-16)

The point which he is making here is that, for a country, what matters is that there should be an absolute growth in productivity per worker, enabling a growth in living standards. The 'competitive' dimension arises from inter-country comparisons whose real (if underlying) focus is on matters such as political influence and military power. These may be comparable to, but are not the same as, matters of interest to private firms such as profitability and market share.

Competitiveness and Industrial Organisation

The approach to competitiveness which focuses on relative factor endowments can be seen to bear some resemblances to early theoretical models of industrial organisation, and in particular to the mode of production based on Fordist organisation of productive factors. This, and the Taylorist theory of scientific management with which it is often linked, adopt an approach to manufacturing production which focuses on the manipulation of labour and capital resources (ie, factor endowments) by management. In this model, there is complete functional specialisation of productive roles, with an especially rigid separation of the operative and production planning functions. This leads to a hierarchical production organisation and the elimination through automation of formerly skilled production jobs. In addition, the production operative level is characterised by rigid demarcation between skilled, semi-skilled and unskilled occupations, and between craft occupations, even when these

are so closely related as to be virtually interchangeable (eg, as with differing grades of boiler-maker in the ship-building industry).

In these models, the individual was seen as a passive, security seeking, largely dependent resource, economically motivated by rewards, such as income and status, which were extrinsic to the production process. This view was well suited to the early to middle stages of industrialisation, where skills and methods had to be created where none existed before. Yet it continues to have a deep influence on the practice of management, albeit augmented with human resource considerations and the techniques of operations research (Basil and Cooke, 1974: 61).

In this mode of industrial organisation, competitive advance was often orientated toward straightforward cost reduction. Companies would introduce often new methods or technologies solely in order to produce their traditional goods and services more cheaply. This type of innovation is geared to the production process, and is termed **process innovation**. It is designed to produce results at lower unit costs by using advanced technical equipment instead of people. This is often introduced under the heading of "rationalisation". An alternative strategy is to aim to create new products or offer new services. This is **product innovation**, which constitutes a different route to expansion.

Process innovation can be expected to be more prominent in tight and highly competitive markets, where companies must constantly watch costs. Product innovation is likely to be associated with the development of new technologies and/or to keep abreast of changing patterns of demand.

Industrial evolution through product innovation underlies one major adaptation of the theory of competitiveness, put forward by Schumpeter with his concept of "creative destruction". In this model, competitive forces assert themselves not through direct confrontation on cost issues between existing producers, but through the subversion of (often monopolistic) market positions by new entrants. These often base their challenge on new technologies and/or new products. Competition is therefore profoundly dynamic in character. In this model, there is no "equilibrium" but rather a perpetual state of change (Porter, 1992: 70). National competitiveness in this model, therefore, depends on how a country stimulates competitive improvement and innovation.

Schumpeter's concept of competitiveness can also be related to the approach taken by Lars Mjølset in his analysis of the Irish economy. Mjølset depicts the 1990s as an age of a harsh restructuring, whose difficulties are compounded by an increasingly open and global financial regime. In this context, the major task for Ireland, as it seeks to generate a dynamic and truly domestic high-technology industrial base,

must be to stimulate a domestic system of innovation. The goal, in his view, should not be substitution for imports (as has been tried already), but rather an innovative approach to the question of export competitiveness. And this, in Mjøset's view, does not simply involve a successful "latecoming to Fordism". Irish industrial policy of the 1960s had assumed that domestic firms would assimilate the largely Fordist, production methods used by the foreign firms which had been induced to locate here. But, due to the small number of linkages established by these with local firms, this did not happen to any great extent. Now, with the maturation of the mass production/mass consumption model underlying Fordism, Ireland's current problem can be depicted as involving how to get ahead in the restructuring race despite having missed the opportunities of the (post-war) "Golden Age of Fordism". (Mjøset, 1992: 16-18)

As the technological environment surrounding us changes, Ireland is faced with the need to absorb new methods of production, which ideally should also be more conducive to product innovation. One advantage we have is that, on account of our late start, we are not burdened with established industrial sectors facing serious crisis. (In many European countries, and in the US, such sectors, by using their political and economic weight to demand protection and State subsidy, have seriously retarded the process of adaptation). Nevertheless, Ireland has still to

find the path to truly domestically-generated self-sustaining industrial growth.

Flexibility and Competitiveness

The type of issue which faces Ireland is illustrated in a recent article by Dr Kieran Kennedy (Kennedy, 1993). If we are to achieve sustained annual growth rates of 6-7 per cent, as would be necessary if we are to both raise employment and living standards while the EC as a whole is growing at no more than 1-2½ per cent per annum (the most likely scenario in Dr Kennedy's view), we would have to match the type of flexibility in industrial manufacturing achieved by countries such as Korea, Singapore and Taiwan. As he explains;

"A key element in their success has been their extraordinary flexibility and speed of adjustment to changing world market and product conditions. For example, Korean exports to Saudi Arabia rose 37-fold from 1973 to 1977. Later, when the US market was particularly buoyant from 1980 to 1985, the share of Korean exports going to the US rose from 26 to 36 per cent. Korean exports of ships, which accounted for only 4 per cent of its exports in 1980, had risen to 17 per cent by 1985 (Dervis and Petrie, 1987). The same amazing ability to adapt the product range is found at company level. The World Bank (1987) study cites as typical the case of the Handok Company, a Korean conglomerate employing 3,500 workers: in 1971, 95 per cent of its sales were human hair wigs; by 1976, paper was the largest contributor to sales; by 1981, watches constituted 85 per cent of sales; and by 1985, while watches were still a major component (at 45 per cent), they were now rivalled by computer sales (at 41 per cent)." (Kennedy, 1993: 22)

Unfortunately, as Dr Kennedy notes, there is no reason to expect that Irish firms will exhibit this kind of dynamism.

But even should any of them seek to do so, it is questionable whether the Irish workforce or Irish institutions would be sufficiently adaptable for them to succeed. Indeed, the OECD has also stated;

"In terms of innovative orientation, Ireland is currently ranked in the bottom quartile of industrialised countries. The factors responsible for this appear to be:

- Lack of specific technological skills and of a general awareness of new technologies in Irish firms;
- Problems of communication and a lack or acceptance of the need for technological change by management and workers;
- A general lack of understanding of innovation and entrepreneurship and of a strong innovative culture within firms and in Irish society generally" (OECD, 1993: 28).

Mjøset considers that the ability to absorb technologies relies on national institutional frameworks, and that there may be international institutional restrictions on the spread of technologies. Institutional arrangements, however, also define power relationships between social groups. Changes in institutional relationships thus involve alterations in this balance of power, and impose costs on vested interests. Indeed, as noted by the OECD, the distributional consequences of reform actions are often of greater immediate concern than likely efficiency gains. For this reason, institutional change itself may be impossible to institutionalise in a society (or, in an institutional structure, such as the trade union movement). Yet, faced with an accelerating pace of technological change, any industrial society must find some

means coping with such change and of doing so on an ongoing basis. As IBEC puts it:

"No longer can it (change) be seen as a static process lurching from crisis to crisis but rather as a fast dynamic and ongoing process, an in-built and inbred part of a company's culture and consciousness." (IBEC, 1993: 17-18)

At present, much of the debate on how to accomplish this centres on the role of flexibility at workplace level in response to proposed changes in working practices. The questions which arise, as already indicated, involve the distribution of the costs and benefits of such change and, perhaps even more problematically, the type of role which the trade unions may seek, or have thrust upon them. In this context, the term flexibility carries a positive value connotation, in contrast, for example, to that of 'inflexibility'. One European Foundation investigation noted that:

"...key phrases such as efficiency and higher productivity were used in a majority of the studies, as was flexibility. It was this latter aim that brought most aspects of management thinking on new technology together. For flexibility in the use of manpower, in overcoming production problems and in sustaining production was an aim in itself. Flexibility in achieving the smooth introduction of the technology was also a key element. " (European Foundation for the Improvement of Living and Working Conditions, 1984: 66)

However, as Beaumont has noted;

"...the single word which is held to capture the essence of employment developments in the foreseeable future is flexibility. Such universal use, however, places it in

danger of misinterpretation, through being 'all things to all people'." (Beaumont, 1990: 260).

In the British cases which he instances, excessive job security, too high wage floors, limited inter-grade mobility and reliance on employment as opposed to wage adjustments in the face of market changes have all been cited on occasion as instances of labour-market "inflexibility." This was recognised by Robert Reich, the US Labour Secretary, at President Clinton's 'jobs summit' in Detroit in March 1994 when he diagnosed the British Government's recipe for 'flexibility' as meaning 'freedom of employers to fire people and reduce wages'. As he put it, and as many in the labour movement might see it:

"When you hear the word flexibility, watch your wallets." (Cited in Keegan, 1994: 20).

The Role of Corporate Structure

Fordism ran into difficulties in the late 1960s and early 1970s through "the progressive exhaustion of the main clusters of innovations which furnished the technological foundation of the fordist industrial management paradigm in 'scale intensive' industries." (OECD, 1992: 92) Declines in the rate of growth of factor productivity, as well as returns to R&D were apparent from the mid-1960s, in a process which has been described by Patel and Soete (1987) as "technological exhaustion". The extent of the crisis was illustrated by the difficulty in adaptation to the oil crises

of the 1970s and early 1980s, when "the priority given to scale economies obtained through undifferentiated mass production lead to very high rigidity in the face of uncertain and rapidly changing demand and markets." (OECD, 1992: 93). In addition, by that stage, growth through acquisitions and mergers had created unwieldy hierarchies while aggressive policies toward suppliers and sub-contractors had often proved to be self-defeating. In addition, the holding of large inventories of inputs, parts and finished goods as a guarantee against strikes was expensive. In manufacturing, there was an emphasis on superficial product innovation backed by advertising, with low priority given to process and production engineering, at which Japanese competitors were beginning to excel.

These developments spelt the end of the type of corporate organisation depicted by Galbraith in "The New Industrial State". In his model of the corporate planning process, the innovation process was characterised by several stages, each of which could involve significant lags. His product innovation cycle involved a long lag between the perception of and/or decision to shape a new demand, the conception of the product(s) aimed at meeting this demand, their design, testing and eventual appearance on the market. Japanese management practice revolutionised this process, and in due course catalysed a response among US firms, as Japanese products began to penetrate the US market. (OECD, 1992, P93).

The Japanese response to the weaknesses of Fordism has been described as Toyotism. It involves:

- 1) Networking; with Just in Time sourcing (JIT) and a reversal of the trend to greater integration
- 2) Reorganisation of work at factory and production levels
- 3) Reductions in compartmentalisation and hierarchical organisation of R&D, production engineering and marketing.

Although firms are less integrated in the formal (ie, Vertical or Horizontal) sense, the network of inter-firm contractual relations produces new corporate types. Here, in the view of one Japanese economist, transaction costs were reduced due to closer and more long-term relationships. The network is thus a substitute for both straightforward market transactions and for internal (and thus bureaucratic) arrangements. The smaller suppliers, in turn become responsible for more aspects of production, enjoying economies of scale and economies of scope by covering more of the production cycle.

Technological Factors

Until the mid-1960s, US practice had suggested that computer-controlled machine tools could be economically deployed only in large firms, where they were programmed by mathematically sophisticated technicians to manufacture complex components. But advances in semi-conductor and computer technology made possible Numerically Controlled (NC) general purpose machine tools that are easily programmed and suitable for batch

production in metalworking. In the FMS (Flexible Manufacturing System) approach, several machine tools are controlled by a central computer and linked by automated material handling. This enables batch manufacturing to offer the greatest opportunity for improvement in productivity by applying automation (Gupta, 1989: 30). FMS thus provides the efficiency that is lacking in batch manufacturing and the flexibility that is limited in mass production lines.

The new technology has thus come to be recognised as well suited to small scale production, especially where firms sell customised products in small runs or batches. (Piore and Sabel, 1984: 107) Indeed, the relative sizes of batches of components contributing to a single product can become a crucial determinant of production cycle times, and of inventory requirements. Smaller batches also minimise the costs of defects, when combined with continuous quality improvement programmes. Large batches contribute to costly inventories.

Often, however, the associated job design is addressed only after technical systems are planned. And, as FMS and similar systems often require craft maintenance workers to exercise both mechanical and electrical skills, traditionally considered separate crafts, it immediately challenges traditional union demarcations. (Gupta, 1989: 31)

Commentators have taken extremely polarised positions on the implications of JIT for labour. The question seems to turn on whether it marks a qualitatively different system from Fordism or a method of eliminating imperfections in Fordism. In the latter view, it is a solution to the classic problem of the resistance of the workers to placing their knowledge of production in the service of rationalization.' (Turnbull, 1988: 7)

"JIT is a highly developed form of work intensification which belies any notion of job enrichment through teamworking, flexibility and job rotation claimed by the many proponents of JIT (in fact, job rotation, teamworking, flexibility and the like are the very tools of work intensification under the JIT system)". (Gupta, 1989: 8)

"By reducing machine set-up times firms need no longer amortize set-up costs over long production runs. Having reduced the minimum efficient scale of production firms can now produce smaller quantities of any particular product on an economically viable basis, enabling them to switch production more frequently and/or increase their product range." (Turnbull, 1988: 9)

JIT thus enables firms to manufacture in small batches while retaining the advantages of mass production. But the system offers numerous 'choke points' rendering it vulnerable to industrial action and thus raising again the proper role of unions in its implementation and management.

The economic success of the large Japanese companies which operate JIT and associated methods allows effective (but not contractual) 'lifetime employment' for their core workers. This, however, is purchased at the price of intensified work

effort and higher stress. Peripheral and sub-contract workers experience insecure and unstructured working lives.

This economic dualism is a vital part of the success of JIT; it is also a prime source of the reservations which the trade union movement harbours regarding its effects on the labour market.

Furthermore, large scale corporate strategies (such as JIT) may effectively place groups of firms in a position which has been defined as "quasi-integration". (Leborgne and Lipietz, 1989). This position differs greatly from the real independence purportedly offered to small firms by micro-electronics in the view of Piore and Sabel (1984: 108). Of course, in some cases there may be truly new forms of partnership between small and large firms; in others the latter are being incorporated into networks centres on the needs of the former. It is too early to say which will become the norm.

EU Regulations

The questions outlined above have become significant considerations in the formulation of industrial policy at EC level, raising the question of how cultural differences in the management of the industrial relations aspects of change can be codified and harmonized. Under the draft European Company Statute, firms choosing to register under EU legislation may choose from 3 models of industrial democracy, the German, the Italian/Franco, of the Swedish. The

differences between these revolve around the structures and degree of formality, as well as differences in the industrial relations culture which have a bearing upon such issues as willingness to consult and involve the workforce.

The UK Government, to date, has opposed the draft, though registration under it is voluntary. The UK Involvement and Participation Association and the Institute of Personnel Management have recently revised their code of practice, encouraging companies to move toward more informative methods, again voluntarily. Some believe such an approach could form the basis for a "fourth option" under the European Company Statute (Schloss, 1990: 9-13). The final form of resolution of this dispute will have considerable implications for the role of European trade unions in decision making at enterprise level, and Irish unions will be affected through their representation in subsidiaries of companies operating at trans-European level. The Irish economy will be affected by the outcome to this debate both through direct competition with other producers in the UK market and through competition with the UK for foreign direct investment.

Conclusion

The starting point for this study, therefore, is the recognition that institutional adaptation is now as vital a determinant of national competitiveness as purely cost-based factors. Indeed, the achievement of cost savings is very

often dependent upon what changes can be implemented through the existing industrial relations structure. However, unlike in the presentation of factors bearing on cost competitiveness questions (such as unit wage costs), issues relating to structural change are not amenable to straightforward measures which can be conveniently reduced to indices. In what follows, then, we shall attempt to portray the implications for the Irish trade unions of the current debate on Irish competitiveness, and their response to date. We shall also attempt to measure the impact to date on union/management relations of such changes as have already taken place, and the likely direction of the future evolution of this relationship.

Chapter Two - The Evolving Role of the Trade Unions

Dimensions of Flexibility

As is already apparent, the term "flexibility" can refer to several concepts related to labour market economics and work organisation. At the most general level, though, it is possible to distinguish between static and dynamic aspects of flexibility. Static flexibility denotes a once-off accommodation to particular pressures. Dynamic flexibility involves changes to institutional, cultural or other social or economic regulations or practices which permanently increase the capacity to respond to change. The differences between these two models of industrial change may be characterised as similar to those between incremental change and complete paradigmatic shift, at least when the change is applied within an industrial relations framework which is geared towards systematic negotiation of all workplace change. In addition, there are two distinct views of how necessary adjustments involving sensitive issues affecting issues such as employment and earning power can be made.

The **Social Solidarity** view of flexibility holds that changes leading to productivity gains are best secured through co-operation and negotiation, with the rewards being distributed also through the bargaining process. Trade Unions have traditionally inclined to this view of workplace flexibility.

The **Market Adjustment** view advocates a reliance on market mechanisms. Its exponents, however, often consider that cathartic measures (such as the weakening of trade unions) are required in order to overcome attitudes schooled in the social solidarity approach. They have also sought to remove structural impediments to adjustment. The role of labour, in this model, is seen as being to follow without resistance, though they must, in practice, also bear some of the risk.

A large amount of work on the implementation and implications of changes in work practices has been carried out by the European Foundation for the Improvement of Living and Working Conditions. The literature published by this body explicitly endorses the Social Solidarity approach, and thus tends to proceed from a presumption that increased workforce participation in the management of change is desirable and, in the longer term at least, inevitable. However, their own surveys (European Foundation, 1990: 262) have found that the existence of participative institutions for managing change, while important, do not automatically generate vitality or involvement for trade unions. Indeed they have found evidence that such systems have certain inherent rigidities which may make them less fitted, to deal with the demands of new technology and innovation. As the Consolidated Report puts it;

"Any attempt to pin down the 'correct' or 'adequate' response to any innovation is fraught with difficulty,

but there does appear (*sic*) to be factors that do set the context that shape decision making on new technology and hence the possibility of inclusion or exclusion of workforce representatives and their interests." (European Foundation, 1990: 73)

These factors may be summarised as follows, and these categories will form the basis for the enquiry which follows later in the study;

- Bargaining structure and tradition
- Management corporate structure and decision making sites
- Product and technology involved

Trade Union Responses to Moves Toward Workplace Flexibility

Trade unions are organisations which have traditionally reacted to situations initiated by others, usually individual employers but sometimes employer or producer organisations or even central Government. Indeed, commentators from Lenin onward have argued that trade unions are fundamentally reactive organisations with structural difficulties in arriving at any strategically orientated activity. Furthermore, their traditional orientation toward unifying the interests of all workers (though never either realistic or realised, except for brief periods) is challenged by increasing tertiarisation, regionalisation and moves toward plant level bargaining. (Lucio & Weston, 1992, p78).

Trade union reaction, moreover, is usually channelled through the highly formal and structured mechanisms of collective bargaining. The introduction of new technologies,

however, often involves considerable degrees of uncertainty, so that final solutions must involve elements of a trial and error process. Flexibility, therefore, as noted above, is also needed in the implementation process itself. Over-hasty regulations and formal agreements may be counter-productive, as, conversely, may be management impatience and unwillingness to be slowed down by extended bargaining processes.

So, while the traditional industrial relations approach is to negotiate an agreement on any new forms of work organisation, management may fear that the advantages of so doing may be eroded by a long drawn-out bargaining process. Furthermore, there is the danger that any agreement, unless very broadly worded, may be superseded by further developments within a short period.

Irish experience to date suggests that trade union involvement in the re-organisation of work patterns is usually necessary when companies wish either to reduce the number of grades of operators or when they want to introduce some form of multi-skilling of craftspersons. The first implies an obvious threat, while the latter threatens to undermine traditional demarcations and devalue craft occupations. The negotiating position of the unions is also complicated by the fact that employees often welcome some of the changes proposed by management as offering a greater level of involvement and the chance to learn more skills,

as well as breaking down traditional barriers. Flexibility in working arrangements is also sought by workers in order to accommodate factors such as increasing female participation, educational needs and increasingly diverse lifestyles. In such cases trade unions have been confronted by management initiatives which, while they appealed to members, aroused the suspicion of union activists. This has arisen with the introduction of systems such as job-sharing and flexible working hours. In the former case, while some workers have often found the terms offered attractive, unions have feared that the system might tend to undermine union strength, as job-sharers could be more difficult to organise and may be less concerned about employer proposals than full-timers; they may even see themselves as a distinct group with divergent interests. However, depending on the legal framework, job-sharers may find themselves in a twilight world of confused, inconsistent and untested legal rights, perhaps with individual contracts devised on an improvised basis by their employers. Clearly, such an outcome runs counter to the basic aims of trade unions.

Despite these considerations, methods such as job-sharing have spread as a true 'grass roots' movement, sometimes resisted by unions and management alike. It has been promoted by organisations such as "New Ways to Work" in the UK and USA. Though popular among women, it has been opposed by feminist groups on the grounds that it will lead to women

being confined to menial positions (where job-sharing tends to be more accepted) and will thus reduce overall equality.

In the case of flexible working hours, unions initially feared that it would make workers more difficult to communicate with and thus disrupt their organisation while, again, some groups of union members have found the option highly attractive.

In each of these instances, then, we have a situation which some union activists perceive as involving a (potentially damaging) growth of individualism, whereby management could bypass workplace representatives in favour of direct contacts with individual workers. This, combined with systems such as individual performance appraisal and merit pay is seen by some as a threat to the solidarity and bargaining power of trade unions. Furthermore, as changes were sometimes introduced behind an implicit or explicit threat of job losses, some workers resent the "blackmail" involved. Under such circumstances, and against a background which has seen unions weakened considerably by unemployment and structural change, there is an understandable suspicion that employers may feel that now is the time to call into question the rights acquired by workers over the years. In this view, the supposedly "new" forms of work organisation are often, in reality, returns to old and previously rejected forms of work dating from the nineteenth century. Such suspicions

also find ample reinforcement in historical experience (especially in the US) ; as Piore and Sabel (1984) put it;

"Historically, employers have accepted worker organization during periods of prosperity and worker militancy (which typically, though not always, coincided), when the cost of industrial warfare was high; they then repudiated this acceptance when the balance of power shifted back in their favour." (Piore and Sabel, 1984: 98)

During World War II, for example, the US War Production Board urged joint management-labour committees at the plant level, as part of the effort to increase productivity. But these arrangements were rolled back after the war. Indeed, studies of the evolution of participation as a form of industrial relations may see it as a stage (in a linear process), part of a cycle (which will at some point be reversed) or the product of the interaction of forces which occasionally produce a rhythmic movement towards it (Schuller, 1985: 37-46). But there is certainly no inexorable tide in its favour, as attempts to promote it (from utopian socialists, through post WWI initiatives, eg Whitley Committee of 1917, to 1960s and 1970s ideas regarding 'empowerment' and 'enrichment') repeatedly demonstrate.

The progress of the idea of worker participation appears to be influenced by fluctuations in the demand for goods and for labour. And the promotion of participation may be constrained by presuppositions regarding its method of implementation, such as that it can best or can only be realised by the appointment of worker-directors. This was the

approach of the Bullock Committee in the UK, where the boardroom was chosen as the target for worker-involvement initiatives because it represents the most visible decision-making site. It may therefore be of significance that the more recent trends in worker participation (eg, such as via work groups and through the development of independent union competencies in technical fields) are more broadly based. Nevertheless, the unions currently find themselves in the position where, having for many years condemned traditional methods of work organisation as tending to create boredom, frustration and alienation for the individual worker, they are faced with an alternative which apparently offers a solution. They are, however, unable fully to evaluate its true potential at this point in time, while competitive requirements (and thus employment outcomes) demand that decisions are taken immediately.

Despite such reservations, Irish unions have proposed and negotiated the introduction of autonomous group working in a number of Irish companies, including BNM, Galtee and Coilte. Still, in common with probably most organisations and individuals, they find it difficult to adapt to an environment of continuous change. And, significantly, they fear that if they do not provide positive leadership on the issue, workers may begin to look to management for this.

To a large extent, Irish unions are reacting to change on a case by case basis. Yet unions have traditionally argued for

employee involvement in the work organisation and business decision process on the basis of right, frequently drawing analogies between the investment of capital by shareholders and the investment of time by workers. It is apparent though that, given the complexity of the issues involved, unions need to develop a problem-solving approach before this can happen. This in turn can only develop where there is a high degree of trust between them and management. Only then can union officials move on to equip themselves to deal with questions concerning competitiveness, business strategy etc.

The type of dilemma likely to arise from the trade union attempts to respond to this challenge is illustrated in their call for "linkages with unions in other companies within the same sector.." (ICTU, 1993) While this may accord with traditional union practice, it might not be welcome to managements in a competitive industry where the sharing of any information with union colleagues from rival firms could endanger company success. This factor, together with a possible preference for single union agreements by some of the companies instigating changes, could ultimately point to a return to an in-house or company union arrangement. This would be viewed as a retrograde development by many trade unionists.

A further barrier to co-operation arises from the naturally differing preoccupations of unions and management when changes are being implemented. Changes in wage levels, skill levels, employment levels or working conditions are likely

to be secondary objectives for management. They are operational aspects of new technology introduction, consequences stemming from strategic decisions whose primary aim is the promotion of increased flexibility. In contrast, workers see these "secondary management objectives" as of prime importance to them.

Flexibility: Promise and Threat

While "flexibility" is often presented (sometimes genuinely) as a threat to established union achievements, what is really needed is agreement by all concerned to seek ways which advance both economic efficiency and social progress. Individuals naturally want some reliable perspective on their lives, but also want to pursue long-held objectives and to avoid stagnation. In this sense, 'flexibility' may be defined ontologically; the ends are increased economic growth and employment as well as greater fulfilment at work for the individual worker. The problem is the conflict that may exist between these, due to competitive pressures facing the firm.

In facing the issue of workplace flexibility trade unions are therefore confronted by both a long-sought objective and a potent threat. Their problem is that it is not yet apparent which will be more fully realised, nor whether current developments are amenable to guidance either by themselves or by management. Indeed, some of the critics of the theory that industrial society is engaged in an evolution away from

Fordist production methods argue that its proponents are effectively espousing a kind of technological determinism. In the deterministic model, mechanisation and automation of production processes in the past followed a pattern laid out by the inherent properties of the technology applied. It usually implied the continuous sub-division of tasks, and the attempt to connect as many tasks as possible by machine operations. In this scheme, as noted in Chapter 1, people were seen as virtually "universal robots", to fill in the gaps between incompletely automated machine functions. This "Taylorisation" of production was accompanied by processes of de-skilling, turning over less demanding tasks to hitherto qualified workers.

Attempts to redesign such jobs were often unsuccessful (eg, the attempt to assemble whole automobile motors in autonomous work-groups tried by Volvo in Sweden). This was explainable within the parameters of the determinist model in terms of the old mechanistic technology being suited only to the standardisation of products and processes. Similarly, the "job enrichment" movement which began in the US in the 1960s (in response to problems of absenteeism due to boredom) failed, in this view, because of the structure of the technology to which it was applied.

Much of the new technology currently being introduced is based on new methods of transferring information. Previously this function had been integral to administrative

processes. Now its entrance into the production sphere means that the line of demarcation between production technologies and purely administrative activity vanishes. Product switching, for example, now often involves re-programming rather than re-tooling, which both simplifies the logistical effort involved and shifts some elements of the decision-making process closer to the production end. At the macro scale, Piore and Sabel see this development as amounting to an industrial "divide", a moment at which the future path of technological progress is at issue. (Piore and Sabel, 1984). They compare it to the switch, during the nineteenth century, from craft-based production to mass production. The former, in their view, was characterised by cooperative relationships between multi-skilled workers, the latter by specialised (or de-skilled) individual workers working to an overall direction set by specialised managers. However, in order to run a flexible, information-based technology smoothly, managers have to give up traditional means of rigid supervision and control. Close supervision, it is argued, is difficult and even counter-productive under such conditions of production. Instead, it becomes necessary to involve workers in aspects of decision-making which were previously closed to them. Workers, in this view, are being returned toward the type of semi-autonomous craft production which characterised pre-industrial society.

Critics of this view dispute that what we are witnessing is an industrial "paradigmatic shift", analogous to those which

Khun postulated in his theory of the evolution of ideas. Rather, they interpret changes such as those alluded to above as nothing more than a re-segmentation of the labour market, in line with the old dualist model of "insiders versus outsiders". In Curry's view, for example,

"It is equally possible that the Fordist model is successfully adapting itself through the dual labour market structure. It seems that a mode of operation which works best for networks of subcontractors and suppliers in areas such as luxury goods has been mistaken for craft production in the classic sense and wrongly viewed as something generalisable to the economy as a whole." (Curry, 1993: 119)

In fact, as Fieldes and Bramble see it, the supposedly collaborative nature of post-Fordism presupposes a co-operation between equals. In practice, any changes made are for management's benefit, and any benefits to the workforce are a contingent effect. Consultation, for example, is only a facade behind which management prerogative is still dominant, while apparent union involvement at decision-making level is really only a device to neuter their opposition to unfavourable changes. All that alters, in the final analysis, is the mix between coercion and consent. Furthermore, the fact that part of the process of change involves an international segmentation, with the emergence of a "Fordist periphery" in some of the former Less Developed Countries, means that cost considerations will remain the overriding imperative for companies. (Fieldes and Bramble, 1992: 562-576). So, while "flexibility" is often presented (sometimes genuinely) as a threat to established union achievements, what is really needed is agreement by all

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concerned to seek ways which advance both economic efficiency and social progress. Individuals naturally want some reliable perspective on their lives, but also want to pursue long-held objectives and to avoid stagnation. In this sense, 'flexibility' may be defined ontologically; the ends are increased economic growth and employment as well as greater fulfilment at work for the individual worker. Scharpf places the debate in more conventional economic terms:

"There is no way around a policy of cost reductions and improved international competitiveness. With the internalisation of capital markets and the rising level of international interest rates, the terms of trade between capital, labour and the state have been altered in favour of capital. This is why, in the early 1980s, the attempt to defend or recapture full employment in the private sector can only be paid for by a massive redistribution in favour of capital incomes. At most, the question is by whom and in what way this price shall be paid". (quoted in Mjøset, 1992:)

In such a situation, unions are very vulnerable, especially if a Government adopts a conservative/free market approach.

With regard to the question of how far the form of industrial is determined by technological factors, however, Porter concludes, in terms reminiscent of the argument of Piore and Sabel, that:

"Imbedded in the underlying technology, product characteristics, and nature of present and potential buyers, however, there is a range of structures the industry might possibly achieve, depending on the direction and success of research and development, marketing innovations and the like." (Porter, 1980: 163)

Flexibility: A Hidden Agenda?

American union suspicions of public pronouncements in favour of worker participation are often heightened by the fact that some emanate from sources such as the "Committee for a Union-Free Environment of the National Association of Manufacturers". And commentators such as Fantasia, Clawson and Graham (1988: 468-488) allege that participation as seen so far in the US is not genuine workplace democracy, which would mean delegation of power from managers to workers. Rather it is a component of a strategy to weaken or replace trade unions. The overall debate, however, is clouded by the fact that, as they put it:

"The widespread support afforded industrial participation is partly due to the extremely wide range of work practices it encompasses. Everything from a suggestion box to a worker-controlled economy has been included under the rubric." (Fantasia, Clawson and Graham, 1988: 469).

Similarly, as Schuller notes, prior to the 1980s, the idea of "industrial democracy" was a term 'so general, all-embracing and with such wide appeal the politicians and philosophers of all shades of opinion prefer to pay lip-service to it, rather than oppose it outright'. Only in the 1980s did (UK) Conservatives explicitly reject the concept as an infringement of the rights of capital and call instead for information, or at the most, consultation. (Schuller, 1985: 3).

The upshot is that participation is offered to workers as an avenue to empowerment, though management has a strong incentive not to let this be realised. Participation programs are designed to provide "enough of the illusion of control to elicit worker cooperation within an institutional structure that makes it virtually impossible for workers to exercise any real control." (Schuller, 1985: 474)

While unions accept such arrangements, this is within the context of layoffs and closures. US unions are currently willing to accept concessions and wage cuts to a degree unprecedented in the postwar period. Yet all the while, union-busting and strikebreaking consultancy firms continue to proliferate. For some firms, "particular labour market needs, unusually high percentages of unionised workers, or external market pressures" have led them to forge cooperative arrangements rather than aggressively opposing established unions. Other firms have pursued cooperation and conflict simultaneously, avoiding unions in their new plants while seeking to involve them in cooperation in older, unionised, ones. (Schuller, 1985: 475).

Grievance procedures are especially likely to be usurped under 'cooperative' arrangements, and thus to atrophy over time, especially if management are more receptive to grievances raised through work groups than through unions.

Some celebrated US examples of participation, like the Topeka plant of General Foods, in fact replaced alternative, unionised, facilities (at Kankakee). This form of participation involved effective collective worker "despotism" through the work team (ie, with power to suspend without pay). But research in Britain and Germany has shown that the outcome of new technology in such situations may depend on the skill level of the workforce. Where there was a highly-skilled workforce the new technology was applied in a way which preserved demanding jobs. In the case of poorly-skilled workforces, there was a tendency to downgrade skills even further and to make the work organisation foolproof by the familiar devices of Taylorist organisational schemes.

Finally, though this consideration may be of less relevance in Ireland, it is as well to note that the industrial relations framework of a country is also often mirrored in the political structure, and even in its international relations. During the cold war years, for example, some management suspicion of the motivations of shop stewards derived from their supposed political motivation (Marsh, 1982) and many countries still have rival trade union confederations split largely along political lines (eg, France). Now, as traditional lines of division based on ideological loyalties are blurred at national and international level, at the workplace level "a whole new set of potential conflicts has emerged that has no clear reflection within political parties or within the labour

relations law now in place." (Karasek and Theorell, 1990: 299). Thus, for example, we see the labour movement torn between the paths of adherence to traditional aims and methods as against the seeking of a new relationship with management, with their choice is made more urgent by the fact that the socialist parties, which traditionally offered them the hope of periods of sympathetic government, now compete with their traditional political rivals in protesting their commitment to the market system (albeit with safeguards). On the legal front, we shall offer an example below (see "Recent US Experience") of how laws, designed in another industrial relations era to protect workers, may interact in a perverse fashion with the new forms of work organisation.

Union Competence for a New Role

If shaping the agenda of industrial change is ever to become a central aspect of the role of the trade union, there is the question of to what degree unions possess, or might acquire, the necessary commercial and technical skills. In a survey of UK TUC and Labour Party publications on the subject, Lane finds little evidence of awareness of the kind of financial, accounting and technical competence which would be required if unions, through their shop stewards, were to assume the kind of responsibilities which they now seek. (Indeed, he attributes part of the problem to a lack of resources on the part of the unions, citing a significant fall, over the first half of this century, in the real value of membership contributions, as a proportion of take-home pay). (Lane,

1986: 321-328). Furthermore, he detects little in the way or union attempts to equip themselves for any new role;

"...no British union or federation of unions engages in intelligence gathering in any way comparable to that of the larger firms." (Lane, 1986: 324).

Neither does he find any systematic gathering of information on the internal operation of firms, or any exchange of such intelligence between unions.

While history and resources play a role in this inadequacy, the fundamental problem, in Lane's view, is of a limited union view of their overall purpose. Nothing in T&GWU handbooks for shop stewards, for example, suggests that they are expected to acquire any form of expertise in management matters. This is also true of full-time officials.

Lane advises that it would be unwise for the unions to press for any widespread or wide ranging involvement in management before they are ready to undertake this. Otherwise they risk failure, with consequent disillusionment. He suggests that they might begin by concentrating their resources in particular areas first. (Lane, 1986: 328). Similarly, Deery asserts that:

"There is almost universal agreement that trade unions have exercised little influence over the process of technological decision-making and the subsequent organisation of work." (Deery, 1989: 117)

In order for them to do so, in his view, unions will need to re-organise themselves, with 'less centralised control by the union leadership.' The will also have to develop an organisational structure that broadly corresponds to the points of management decision-making.' (Deery, 1989: 128).

The ICTU Response - "New Directions in Work Organisation"

These considerations, among others, prompted the Irish Congress of Trade Unions to commission John O'Hehir, PA Consulting Group and Flor O'Mahony, Public Affairs Advisor to conduct a study. The term of reference given to the consultants were as follows;

- "to review the implications for trade unions of the introduction of flexibility within the workforce and such systems as teamwork, world class manufacturing, quality ethos and human resource management
 - to review and make recommendations on the response of trade unions to these changes in the organisation of work and the management of such change
 - to review and make recommendations on employer attitudes to trade unions, in the light of the above and their implications for employer/trade union relationships
 - to review and make recommendations on how trade unions can respond positively to the requirements of modern industry while safeguarding their members interests."
- (ICTU, 1992: 12)

Based on a survey of international examples of trade union reactions to the introduction of such changes, the

consultants identified three models of union response, as observed during the 1980s and 1990s to date. These are;

"Opposition on the grounds that employee involvement and demands for greater flexibility in work arrangements are "nothing but a misguided desire for a union-free environment" (Canadian union leaders statement). This position is shared by, for example, the Canadian Auto Workers Union, and the International Association of Machinists.

Pragmatic Scepticism reflected, for example, in the 1989 report of the (Amalgamated) Transport and General Workers Union. The report states that "the union does not advocate or promote participation in these new style management techniques. But we do recognise that many of our members are already caught up in them and need guidance about how to apply basic principles of control to them". The report goes on to state that "experience indicates to date that certain well-organised plants have seen (the new techniques) as methods aimed at undermining collective bargaining and eroding trade union influence". The fact that the TGWU position is evolving, however, is evidenced by more recent statements. In February 1993, the union's paper, *T&G Record*, stated that "the challenge now is not how to resist the implementation of these systems (for they are here) but how to respond to their introduction in such a way that allows companies and unions to function.

Shaping the Agenda: this response is characterised by an acceptance that the system of work organisation is changing. It views the outcome as being potentially better or worse for employees depending on how the paradigm is shaped. Unions which are adopting this stance focus on such issues as the quality of employee

involvement and participation in all the affairs of the enterprise; seizing the opportunity to redesign work and job content in ways which enhance the quality of working life; developing solidarity between members in customer and supplier companies; and generally redefining the role of the union organisation to bring "best practice" and the necessary knowledge and skills to members in the new context. The United Auto Workers in the US and the L.O. in Sweden and, almost certainly in the future, IG Metall in Germany reflect this position." (ICTU, 1992: 20-21)

In order to ascertain the current position in Ireland, the ICTU conducted case studies on 12 companies, seeking to establish what changes had been introduced, for what reasons, and with what impact on the workforces. The survey included both companies in which the changes had been in force for a number of years and ones which were in the process of implementing them. There was a representation of both Irish and multi-national subsidiaries.

The enquiry showed a significant degree of cooperation between management and unions in the implementation of changes, and a considerable degree of sharing of information with union representatives. Nevertheless, traditional suspicions remained. Management expressed fears that union representatives might seek involvement in order solely to further traditional concerns or to further personnel goals (such as power and influence). The union representatives feared erosion of their position through growth of individualism, destruction of traditional demarcations and

direct communication channels between management and workers. Within the twelve companies, however, it was possible to discern a complete spectrum, from industrial relations organised wholly on traditional adversarial lines, through intermediate cases, to companies in which a culture of "common cause" between unions and management centred on the welfare of the company or plant. (ICTU, 1992: 35-38)

In its conclusions, the report instances five possible options for trade union response to the challenges posed by the new methods, along with the potential benefits and risks associated with each. These are set out below.

Summary of Benefits and Risks Associated with "New Directions - Options for Trade Unions" Response:

Option	Benefits	Risks
Opposition	<ul style="list-style-type: none"> o maintains traditional adversarial approach o no need for union to change or adapt 	<ul style="list-style-type: none"> o unions by-passed by management o members questioning relevance of membership o miss opportunity to be involved o damage to Ireland's perception
Local Response Only	<ul style="list-style-type: none"> o no need for formal policy o maintains adversarial policy nationally while presenting 'positive' response locally o no blurring of traditional IR agenda o no need for union to change or adapt 	<ul style="list-style-type: none"> o wide variety of local practices o no support or guidance from trade unions o reacting rather than influencing management proposals o initiative remains with management

Minimalist Approach	<ul style="list-style-type: none"> o provides clear policy and guidelines o provides framework for local officials and members o maintains uniformity of approach 	<ul style="list-style-type: none"> o takes no account of local practices o limits scope of local officials to develop optimum solution o could be perceived as negative, if conditional on achieving "upfront" achievement
Positive Approach	<ul style="list-style-type: none"> o allows for a tailor made approach o allows unions to optimise their level of input o opportunity for greater involvement of members o more involved in shaping final outcomes 	<ul style="list-style-type: none"> o could blur traditional "us+them" relationships o blurring of traditional bargaining agenda o undermining of union solidarity o variety of local outcomes
Actively Promote Own Agenda	<ul style="list-style-type: none"> o more involved in shaping own agenda o seen to address wider member goals o closely involved in ongoing monitoring 	<ul style="list-style-type: none"> o could be seen as "doing managements job" o undermining of union solidarity

(ICTU, 1992: 44)

The consultant's report clearly encapsulates the wide variety of options open to and reservations harboured by the Irish trade union movement at this stage, having regard both to the lessons available from international experience and developments to date in Ireland. As such it represents a valuable contribution to the debate, both in Irish and international terms. Nevertheless, it is clear that, even when contemplating entering into the process of adaptation in the most positive manner open to them (ie, the pro-active, "Shaping the Agenda" mode), trade unions fear becoming jointly responsible for solutions which may bring short-term benefits to their members but which might subsequently constrain their freedom of action, even to the point of compromising their existence. They also fear that in doing so they may jointly preside over a split in the workforce between those who can successfully adapt to the changing requirements of the job (core workforce) and those who cannot and who are squeezed into less attractive jobs or intermittent employment. Yet they also know that if they resist changes, firms may adopt 'distancing' strategies (eg, outsourcing) as an alternative to internal flexibility. This can lead to a tripartite structure of core, peripheral and external workers, the first being required to be flexible between functions, while the latter two groups provide numerical and pay flexibility respectively. In either event, the outcome challenges both the unions' self-image and their organisational structure. Adaptation, therefore, poses

problems which are potentially more severe for unions than for management.

The UK Experience

In the UK, three approaches to the HRM question can be discerned (Lucio & Weston, 1992: 78-86). These broadly correspond to the three types of approach put forward in the ICTU document. That espoused by the EETPU (Electrical Electronic Telecommunications and Plumbing Union) and the AEU (later merged) is specifically designed to attract foreign investment and aims to counteract the perception that HRM practices are incompatible with the presence of trade unions. The aim is to integrate the union with management strategic considerations and, in so doing, create a new role for the it. The first step was single-union agreements, usually with 'no-strike' clauses and/or pendulum arbitration. The union also agreed to allow new forms of management/worker channels, even where these might by-pass its own structures. In return, it received a say in decision-making. Criticism has come from both within and without, but the unions continue to espouse this approach.

The second approach aims to advance collective bargaining within the company and beyond. It is associated with the GMBU and is a direct response to the 'market unionism' of the EETPU and the AEU. It is less conciliatory, and has involved the negotiation (often with foreign-owned companies) of

sections of the EU Social Charter. They have also sought to bring areas of training, careers and recruitment.

The GMB approach is 'moderate', in traditional terms, but puts a greater emphasis than market unionism on the traditional social objectives of trade unionism. It is also designed to appeal to the GMB membership, which is more diversified than those of the AEU or EEPTU. (Lucio & Weston, 1992: 83) The approach is encapsulated in "The New Agenda for Bargaining in the 1990s" which was presented by the GMU to the TUC annual conference in 1990, and adopted virtually unanimously. Its success was due to the combination of moderation with a traditional, collective bargaining, approach. This approach has been described as 'making Donovan work'. As such it was a compromise; all things to all men. Its greatest weakness, however, is that lack of any real programme whereby the attitudes of both management and union officials and activists would be modified to accommodate it.

The initial attitude of the T&GWU toward changes such as teamworking and quality circles was outright opposition. It has since been forced to comply in numerous cases, but still sees the HRM approach as fundamentally inimical to traditional trade unionism. (Lucio & Weston, 1992: 84-85).

Another difficulty for a large union such as the T&GWU is the diversity of conditions for its members, making any

centralised policy difficult to implement. But it has also fought back at enterprise level. New communication systems between union and members have been introduced in order to combat the management practice of communicating directly with workers. And shop stewards have been used for surveillance over the activities of teams and quality networks. Also, special conferences on the issue have been held and efforts to learn from other trade union experience at home and abroad.

The Lucas Example

The issues involved in the most ambitious of the trade union strategies for dealing with workplace change, ie "shaping the agenda" have been explored by Wainwright and Elliot in their chronicle of the developments at Lucas Aerospace in the mid to late 1970s (Wainwright and Elliot, 1982). Here, the workforce, faced with a continuing series of redundancies, set up a committee to devise an alternative path of development for the company. However, the difficulties which they encountered illustrate many of the difficulties which lie in this path. The Combine Committee at Lucas, which consisted of workers from all sections of the workforce, drawn from several unions, initially proposed to produce a plan in cooperation with management, but many union members were suspicious of this approach. Instead, the Committee decided on a radical approach. They set out to produce a corporate plan, but aimed explicitly to the companies production from military goods to products which would

satisfy real social needs, especially for those who lacked market power (ie, such as products for the disabled and energy-saving). The also favoured labour-intensive methods of production. The fact that their focus made no allowance for considerations such as the maximisation of profits, dividends and share values would have been sufficient reason for management to reject it. But the progress of the plan revealed that there were other considerations present which militated against any such worker-initiative being successful.

The workers began by circulating a questionnaire concerning workforce skills, machinery available, and attitudes by workforce groups toward management. One reply illustrates the kind of attitudes present.

"In our experience management is not a skill or craft. It is a command relationship, a habit picked up at public school, in the church or from the army. And we can well do without it." (Wainwright and Elliot, 1982: 89)

Clearly, while this contains culturally-specific references to the UK social environment, it shows the lack of appreciation of the role of management which can exist in even a technologically sophisticated workplace. The plan, however, faced fundamental difficulties from the management side as well. Management was not receptive either to its general philosophy or to its specific proposals, while the presupposition of most of the Committee that company should and would be transferred soon to public ownership did not

endear them to the current owners. The most serious problem however, was that Lucas management viewed the plan as an attempt by the workers to wrest control of the company. Bill Williams, a technical manager, summed it up as follows;

"I'm quite sure personally that the issue was not the viability of the products from an engineering point of view: the real issue at stake was who manages Lucas."
(Wainwright and Elliot, 1982: 114)

Clearly, such negative attitudes on both sides would have been enough to undermine any radical initiative. But the Combine Committee was further hampered by a lack of cooperation from union officials and from differences among its own members. Often these derived from differing socialist interpretations of the proper role of unions, workers, and autonomous groups such as the Committee in furthering the then politically sensitive issue of workplace democracy.⁴ The project, therefore, while highly significant in terms of its pioneering nature and of the huge international interest it attracted, failed in terms of its attempt to set the agenda at Lucas. It is interesting to note, however (Lane, 1986) that one result of its example was to divert attention from the 'traditional' approach to workplace democracy, which was to appoint workers representatives to boards of directors, and focus instead upon a much more broadly based concept of worker involvement.

⁴ The then Labour Government had been elected on a manifesto promising to promote worker participation in decision making, as well as the nationalisation of the aerospace industry.

Recent US Experience

Finally, as though the difficulties in overcoming traditional trade union and management attitudes were not enough, recent American experience shows (albeit in a manner highly specific to the US itself) how institutional forms may lag behind the willingness of industrial relations actors to move forward. In a now famous decision in December 1992, the National Labor Relations Board (NRLB) ruled that employee committees formed at Electromation Inc. were labor organizations that violated federal labor laws based on the employer's interference with and domination over the committees (Smith, 1993: 54-57). Two key questions regarding employee participation programs were at the heart of the ruling:

- 1) At what point does an employee committee lose its (legal) protection as a communication device and become a labor organization in its own right?
- 2) When can actions by an employer be considered to dominate or interfere with employee committees?

The irony of this ruling, of course, lies in the fact that the legislation in question (ie, the National Industrial Relations Act) aimed, among other things, to avoid the displacement of independent worker-controlled trade unions by 'company unions'. Nevertheless, faced with the decision of a firm to create five action committees, comprising management and employees, to discuss work-related topic that included absenteeism, attendance bonuses and communication,

the NLRB ruled that the committees were devices designed by management to give employees the illusion of bargaining and convince them they would not need the assistance of a trade union. While it should be noted that this case arose specifically in response to a union organising effort at the company, the method of application of the law clearly creates potential difficulties for certain types of industrial relations developments in the US.

Conclusion

With the above considerations and examples in mind, we shall now examine the form of the current debate upon this issue within the Irish trade union movement.

Chapter Three -

The Current Debate within the Irish Trade Union Movement

The proposition that "this is a time of uniquely rapid and far-reaching change" has undoubtedly by now become a cliché for any historical period. And yet it continues to be validated by the increasing pace of change. At present, we are faced with technological changes, market developments and the rise of new production centres, all of which call for organisational adaptation by businesses. Such adaptations take many forms and their precise import is still the subject of considerable debate. We may, for example, be in the throes of the **adaptation** of the traditional mass-production model and of its accompanying industrial relations structure, or of its **replacement** by an entirely new production paradigm. It may be that we are well advanced on the road toward participative production, or it may yet be that aspects of our own culture will force us back to methods which we are now attempting to abandon. The only unchanging issue is that of how we will manage the process of adaptation. We can initiate, with attendant risks, react and risk leaving it too late, or stagnate and hope for the best. It is probably true to say though, that never before has the issue of direction in the form of industrial relations practice been more widely debated than today.

The issues involved in this debate are of vital concern to all actors on the industrial relations scene. This enquiry could have focused, for example, on whether unions perceived management to be sufficiently dynamic, on whether workers viewed their unions as sufficiently aware of the issues which the process raised for them, or whether union officials perceived members as sufficiently aware of the changes which they would be called upon to make. The reason I have chosen to focus on the response of Irish trade unions to proposals for changes in working practices is because of the debate currently taking place within the Irish trade union movement itself on this issue, as presented in the document "New Directions in Work Organisation - the options for unions", commissioned by the ICTU and cited extensively in Chapter 1. The analysis presented in this document reveals a considerable degree of uncertainty on the part of the trade union movement about how to proceed, ranging from outright resistance to a desire to take control of the ongoing process of change. In their 1993 Biennial Conference, the ICTU delegates discussed the report. The quotes which follow are from the report of the Conference as supplied, prior to publication, by ICTU.

During Session IV, prior to a debate on a motion relating directly to the report, the general issues covered by it were mentioned in the debate on Executive Council Report Section I. Eddie Browne, speaking on the issue of social partnership, noted;

"While social partnership ..characterises the relationship between employers and unions at the macro level, workplace industrial relations are still firmly rooted in the adversarial model. This often leads to conflict which could be avoided if employers recognised that workers and their trade unions have a contribution to make and will make that contribution positively if given the opportunity.

Trade unions are (then) criticised for not falling in line with decisions with which they have no involvement and to which they could have put forward viable and workable alternatives, if given the opportunity.

By contrast, industry has undergone an unprecedented level of change which was achieved without conflict where unions were fully involved in the formulation and implementation of what was required."

Motion 60, moved by Dave Begg of the Executive Council, invited Conference to welcome the decision of the Executive Council to commission the report. Among other points, it noted;

"Conference recognises that the objectives of the new quality strategies requires a high trust environment with workers and their unions accepted as partners in their enterprises.

Conference recommends that unions adopt an active and flexible approach which ensures that the interests of members, in particular the areas of job security, pay, equality and the working environment are central to the process of change."

Speaking to the motion, Mr Begg noted that;

"...our concerns can probably be narrowed down into two main groups. The first is the danger that there is in these new procedures of weakening collective bargaining. I mean, in other words, if you get an industry so efficient, and people coming up with new ideas and implementing them all the time, it is very difficult to see a role for productivity bargaining there.

The second issue is... that this would be part of a bypass structure which would have the effect of

marginalising the union. The problem, of course, is that if we totally oppose this, or fail to get involved in it ..., the danger is that we can be bypassed and marginalised."

He called for support for the Report's recommendation for "a graded level of constructive engagement based on the circumstances in each industry and enterprise." However, he also noted that;

"...I am not so naive as to think that employers will welcome our interest with open arms. My own personal experiences of it is that they most assuredly will not, because employers are much more comfortable to stick to the old stereotypes of unions as being opposed to everything."

Brian Archbold of IDATU complimented the Executive Committee on addressing the issue. He noted however, that;

"HRM (*according to some who have written on it*)...refers quite openly to de-unionisation of the plant....I do not want to be embracing or going forward with somebody whose ultimate objective is that I should not exist at all....I certainly lack trust in the whole area of Human Resource Management and am very suspicious of it."

Pat Maloney of GPMU struck a more positive note;

"I think the document... is probably the most vital and far-reaching issue that we face in Galway this week and I don't exaggerate. It will shape and determine where the trade union movement and Ireland is heading. Do we share the driving seat or do we end up in the back seat as spare luggage?"

"Human Resources and New Work Organisation are not a long term or a future strategy. They are here now in Ireland.. Issues like consumer satisfaction, quality control...if we are concerned about job security.. are matters which must be high on the list of trade union priorities."

But he, too, had reservations;

"The key to the success of the strategy concerned in Work Organisation is the word 'high trust'. Another key element is allowing the trade unions to be there as partners. I believe if we can't succeed in that direction, then the document has to be questioned."

The motion was passed. Clearly, though, this debate mirrors that taking place internationally, both within and between the parties concerned and among both academics and ideologically-motivated groups. In some quarters, indeed, a process of reaction is already in full swing, some of the changes made are being reversed, and certain unions are explicitly calling for a return to the traditional adversarial approach.

The precise aim of this study, therefore, is to ascertain how management in a specific Irish industrial sector view the ability of Irish trade unionists in that sector to adapt to ongoing change. At present, the challenge to trade unionists consists largely of the need to respond to specific changes in work practices, many of which threaten traditional demarcations upon which central union concerns such as wage bargaining tend to be based. Already, however, the outlines of a broader agenda can be discerned. Trade union leaders, at least in their public pronouncements, are paying far more attention than previously to matters traditionally of concern to management, such as the overall competitive environment of the firm. This, of course, is forced upon them by the daily example of direct challenges to their members wage

levels and employment security by the emergence of new producers in previously isolated or backward areas such as Eastern Europe or the Far East. In choosing to respond directly to this challenge, however, these union leaders are implicitly acknowledging the primacy of these management concerns over and above the traditional concerns of their members with day-to-day issues. And in entering the debate, they may find themselves forced to contribute specifically commercial proposals, especially now that the more open global trading environment precludes simple appeals to Government to subsidise, nationalise or impose tariffs in order to protect domestic jobs.

It is recognised that this approach is inherently limited and one-sided. The management side in firms in the selected sector is effectively being asked to evaluate the trade unions and the result is open to bias on their part. In particular, managers are free to assign any deficiencies in the process of implementing change to the resistance of unions, while it may be that their own incompetencies, or difficulties inherent in the process, should share some of the blame. Nevertheless, I consider that the exercise is worthwhile for the following reasons.

The process which has been termed the "New Industrial Relations", if it has any future beyond being noted historically as a management fad of the 1980s and '90s, relies more than anything else on changing deep-rooted perceptions among the actors on the industrial relations

scene. And studies such as that by Kelly and Kelly (1991) have illustrated how difficult this is to do. Their study focused on the attitudes of trade unionists, asking whether the new methods had instilled sufficient trust and confidence in them to undermine the traditional "them and us" attitudes which underlay even outwardly harmonious industrial environments. Their choice of trade unionists *reactions* as the focal point emerged because of the fact that such changes were almost invariably initiated by management. (Indeed, it was this, as well as other factors, which served to perpetuate the old attitudes, which were sometimes even reinforced by the manner of implementation of the changes). (Kelly and Kelly, 1991: 25-48)

In the case under study here, we have a situation where the national trade union body has commissioned its own analysis of the situation and set out a range options which are intended to form possible alternative models for the trade union response. Certainly, the ICTU General Secretary, Mr Peter Cassels, in his Preface to the report, makes clear his view that "the introduction of these new forms of work organisation requires a different style of *management* than normally practised in Ireland" (my italics). The substance of the report, however, provides a clear framework against which the reaction of Irish *trade unions* to the changes under discussion can be judged, in terms defined by themselves.

The object of this study, then, is to identify which of the three broad models⁵ identified by the ICTU report from international and domestic experience most closely matches the reactions of Irish trade unions in the chosen industrial sector, as adjudged by the managements of firms in that sector. The choice of management perception as the criteria by which union reactions are defined is made because of the aforementioned reality that, under currently existing power relationships, it is management which normally takes the initiative in the introduction of new work methods. This means that any decision to offer greater involvement to workers must, in the first instance at least, depend on management believing that they are suited to it. Similarly, any positive proposal from unions to management upon any aspect of production or marketing strategy, will initially be evaluated in the light of whether management believe that unions are

- (1) equipped to offer such advice, and
- (2) genuinely doing so with a view to the furtherance of the interests of the firm and not solely to the perceived short-term interests of their members, or of union officials themselves.

The initial reaction of IBEC to the ICTU report shows the hurdle which trade unions would have to overcome in order to take a positive role in the implementation of change.

⁵ The spectrum of three models is taken as incorporating the salient characteristics of the five-fold response pattern portrayed in the "New Directions in Work Organisation" report.

"The suggested change of direction by the unions is in contrast to the labour movement's traditional attitude to change. This was often based on mistrust, suspicion of management's motives and even downright opposition to change for no rational reason." (IBEC, 1993: 17-18)

The hypothesis to be tested, therefore is

"that there are positive indications of a fundamental shift in trade union attitudes and aptitudes which are indicative of a new orientation in industrial relations (as measured by management assessments)"

The methodology to be employed is set out in Chapter 5. First, though, there will be an examination of the theoretical issues involved.

Chapter Four - Theoretical Issues

The issues arising from the reactions of workers (and, indeed managers) to industrial change touch upon several topics in the areas of industrial psychology, industrial sociology and organisation theory. The implications of the process to the question of economic competitiveness also makes economic theory relevant to the question. A comprehensive integration of these theories with the subject matter of this study will not be attempted, nor a broad survey of the theoretical literature, but I will outline in this chapter the more salient areas of each for the purposes of this study.

Economic Theory

Micro-economic theory concentrates on the current operation rather than the longer term development of markets and national economies. Conventional neo-classical micro-economic theory (and behaviourist developments of it, such as rational choice theory) start from the premise of utility maximisation by individuals and profit maximisation by commercial businesses. Clearly, these are fundamentally self-regarding strategies and any cooperation which might arise could only be as a result of a complementarity of interests leading to a strategy for joint maximisation. Prudence and self-regard *might* thus be expected, on these assumptions, often to generate sufficient other-regard for some form of trust to emerge (Sabel, 1993: 1137).

Traditional economic theory, when applied to the labour market, conceptualises unions as monopolistic suppliers of labour, raising members wages above opportunity cost, albeit at the price of lower employment. The displacement caused by this mode of operation results in the dichotomy known as the 'dual labour market' phenomenon. In the limiting case, where a monopolistic union faces a monopsonistic buyer of labour, the outcome is indeterminate, given conventional economic assumptions. In these circumstances, conventional micro-economic analysis is supplemented with game theory (see below). Even though investigations have suggested that the monopolistic effect ascribable to trade unions is small (Hirsch and Addison, 1986: 123) no real reexamination of the applicability or appropriateness of the monopoly model to trade unionism has been done, at least to my knowledge.

At the macro level of analysis, economics searches for explanations for phenomena such as differing growth rates and recurrent problems such as inflation, unemployment etc. But it has not, as yet, found a way to incorporate variables to explain the evolution of the economic systems itself. Indeed, as noted in Chapter 1, the traditional theory of trade based on comparative advantage is based on 'fixed' attributes such as factor endowments. The theory can certainly accommodate changes in the pattern of these endowments, but not institutional developments which may affect the way in which competition between firms is conducted.

Recently, Nobel Prize winning economist Douglas North has called for more analysis of the role of institutions in the development of societies and their economies. He criticises the orthodox neo-classical model of markets as incomplete, both in its abstraction and its timelessness. He calls for "adaptive efficiency" in economies, claiming that flexible institutional structures which can survive shocks and changes are the key to long run growth. But he is careful to distinguish this flexibility from the simple emulation of the rules and methods of one country by another. These are unlikely to function as efficiently in a different institutional environment. (He cites the unhappy example of attempts to impose Western free market ideas in Africa as an example of the futility of this approach). But he, too, concedes that no one knows how to create adaptive efficiency in the short run (North, D, 1993: 49-50). From our perspective, however, his work is encouraging in that it marks the advance of economic analysis beyond its self-limiting framework of assumptions; assumptions which often act to exclude from its remit the institutional factors which channel, constrain and possibly even counteract the effects of basic economic forces.

Game Theory

Game theory explores situations where interaction takes place under conditions of uncertainty, and where actions are taken within a calculus of risk concerning the likely responses of other players. In the industrial relations arena the

question is often whether the other side can be trusted, and this may only be capable of discovery by the unilateral offering of a concession by one party. This effectively assumes that the other party to the exchange will not exploit the vulnerability thus exposed. An ingrained culture of distrust will militate against such a gesture. As Sabel puts it,

"If trust is absent, no one will risk moving first, and all will sacrifice the gains of cooperation to the safe, if less remunerative, autonomous pursuit of self-interest" (Sabel, 1993: 1134).

However, even collective appreciation of this dilemma does not resolve it. Sabel suggests that, while trust can be found, it is hard to create where it has been absent. Game theory approaches are used to model how it might be built, or fail to be established. For example, if a party expects to be betrayed in the last of a series of exchanges, it will have an incentive to cease dealing at the penultimate exchange. Applied, this leads to no dealing at all. This type of approach suggests the futility of attempting to create trust - an echo of which is found in the comments made by some trade unionists when contemplating the possibility of some form of cooperative relationship with management (see Chapter 3).

As in the economic approach, cooperation can arise without trust where the possible results are highly valued relative to the risks involved - without any suspension of self-

interest. Trust may eventually arise from such a process, but it is not, and perhaps cannot be, the initial or principal aim of the exercise. Another circumstance is where a community of interest, based on some shared characteristic (such as nationality) precludes the exploitation of the vulnerabilities of fellows. The currency of the term "Japan Incorporated" indicates a belief that this is how the Japanese economy functions internally (Sabel, 1993: 1136). Obviously, we shall be concerned partly with how far trust has been, or may become, established between managers and union representatives as a prelude to the involvement of the latter in higher-order decision making.

Motivation Theory

As many of the changes proposed in work practices are accompanied by revised authority structures (centring, for example, upon semi-autonomous work groups) theories on the exercise of authority within organisations are of relevance to the issues to be studied here:

In 1957, Douglas M. McGregor proposed a set of propositions, called Theory X, which stated broadly that management's task is to harness human energy to organizational requirements. This theory rested upon the assumption that people are not interested in assuming responsibility and prefer to be directed, seeking security above all. This, in McGregor's view, formed the basis for the traditional organisation with its centralised decision-making, superior-subordinate

management structure and external control of work. The mechanism for this control was the manipulation by managers of workers, which were seen as reacting primarily to money or to the threat of some form of punishment.

Drawing heavily upon Maslow's Sequential Want theory of motivation, McGregor later revised Theory X, concluding that, when applied in actual management approaches, it could fail to motivate many individuals toward organisational goals. (Devine, B, 1989) This was especially likely where people whose physiological and security needs were reasonably well satisfied and whose social esteem and self-actualization needs were becoming more prominent. In 1960, McGregor proposed a new set of assumptions, which he termed Theory Y. This theory sees people as basically self-directed and creative at work if properly motivated. The essential task of management, in this model, is to arrange organizational conditions and methods of operation so that people can achieve their own goals by directing their efforts toward organizational objectives. In effect, this views people as inherently good, honest and trustworthy. They want to do good work and they are more productive when they are treated with respect.

The basic dichotomy presented in this framework has found application in areas such as education theory. Here, a variant of theory X treats learners as passive children whose teachers must make all curriculum decisions. Theory Y views

students as relatively autonomous and self-directed learners whose experience is a resource and who can actively participate in the educational process (Balfour and Marini, 1991: 478-485). Once again, these considerations are of relevance in a changing industrial environment where, for example, attempts to introduce multi-skilling may be underway.

A further development of this approach, Theory Z, as described by William G. Ouchi, pertains to the Japanese environment, which is formal and controlled in structure yet which seems able also to cope with the requirements of dynamic change (Pierce and Gordon, 1991: 9-12).

Another new management theory, Theory A, would extract applicable features from Y and Z. It states that only with a team effort can a business hope to compete successfully in the global marketplace (Pierce and Gordon, 1991: 9-12). This is an idea with relevance to the question under examination in this study.

Finally (for our purposes), this approach has been further refined to diverge more from what are seen as mechanistic and simplistic models of human behaviour. In Theory E, for example, managers must develop a management style that draws from the best of various doctrines, methods, and styles to meet the challenges of the 1990s. Salient points of Theory E are: 1. Human beings are complex. 2. Fear must be driven

out of the workplace. 3. A long-range view of profits for the survival of the firm must be adopted. 4. Competition is all-pervasive (indeed, it is a concomitant of existence). 5. Research and development will become more important for the introduction of new products and in the techniques of production and marketing. 6. There must be more involvement of workers in decisions involving production, quality, and product design (Zilbert, 1991: 7-14). Clearly, these developments of the original theory advance it closer to the reality as currently being experienced in the type of firms at which our study is aimed.

Organisation Theory

Much of the subject matter of this study is concerned with interaction between and within groups. We will be concerned with the interaction between workers and management and with how (and whether) this is channelled through the trade unions. We will also be concerned with how each of these groups defines itself, and in particular with the perception of union actions and motivations by management. Such issues involve matters covered by the theory of communications and the theory of group dynamics.

In addressing the problems raised by change within industrial organisations, especially when these can involve revisions to communication and authority structures themselves, we may expect to encounter two types of difficulty. It is to be expected that downward communication will often be filtered

through layers of management, which may induce distortions. Upward communication, on the other hand, may be hampered by a perception that it will not be welcomed, and thus be deterred or inhibited (Feldman and Arnold, 1983: 360).

Furthermore, in any environment, and most especially in the highly-structured (and often highly traditionalist) forum of industrial relations, communication can be subject to distortion through the recipients perceptions of what s/he expects to be told by that party, on any particular issue (Feldman and Arnold, 1983: 365). Data are thereby forced into preconceived belief patterns and differing groups may suffer semantic difficulties in communicating. Furthermore, since much managerial communication (especially in our context) is persuasive in intent, their credibility is crucial in securing its acceptance. However, research on the phenomenon of *cognitive dissonance* suggests that there are strong differences between reactions to information that is consistent with what the receiver already believes and reactions to new information that is inconsistent with those beliefs. (Feldman and Arnold, 1983: 373) In these cases, the receiver may seek to avoid exposure to the message, reject its validity, easily forget it or distort it. As another researcher puts it

"the more frightened a person is by a communication, the more likely he or she is to take preventive action." (Aronson, 1976: 20-27)

The application of these principles in the industrial relations environment is easy to envisage. Management must overcome fears and suspicions while perhaps still couching their arguments in terms (such as 'rationalisation' and 'flexibility') which carry significantly negative associations for their workers. They may propose the setting up of new communication networks (for example, within and between work teams) yet have to operate initially through formal communications networks which can be highly centralised, with few lateral flows. Indeed, such lateral flows as exist may be confined to the "grapevine", or informal system, and be principally orientated toward undermining management efforts. Furthermore, the communication system may be designed for one-way communication, ie from management to workers, whereas the nature of the changes being introduced may call for management to listen to hourly-paid workers. Management's initial task, therefore, may be to "unfreeze" old routines and attitudes, and sensitise their employees appropriately to new information, and to new ways of expressing themselves. The magnitude of the task can be gauged from the comments made by trade union representatives (see Chapter 3) on the proposals put forward by the ICTU executive committee in "New Directions in Work Organisation".

Group Dynamics

Clearly, a trade union is an established organisation with a developed and distinctive culture which is based upon a

particular view of the nature of the relationship between management and workers. However, Janis argues that

"when groups become too cohesive and demand too much conformity, they are also likely to develop patterns of behaviour that interfere with, if not completely undermine, good decision making". (quoted in Feldman and Arnold, 1983)

Maintaining the pleasant atmosphere of the group can become more important to members than coming up with high-quality decisions. As a result, decision making suffers tremendously. He outlines the symptoms of this "groupthink" phenomenon, the most salient of which for our purposes are treated below;

- 1) **The illusion of invulnerability.** This may cause groups to overestimate their ability to succeed against high odds and extraordinary risks. The experience of trade unionists over the last decade should leave little scope for such an illusion, yet evidence suggests that it still persists.
- 2) **Collective rationalisation.** This may block perception by groups of blind spots in their plans or positions. Warnings and failures may be discounted.
- 3) **Belief in the inherent morality of the group.** This might be expected to develop in the industrial relations context around such strategic matters as pay systems and demarcations, making change in these areas especially

difficult to achieve. This can be observed in disputes which clearly involve a belief, on the union side, that there is a fundamentally 'just' rate for given types of work, rather than remuneration as a variable which may be affected by either labour or product market conditions.

4) **Stereotypes of out-groups.** This can be expected on the part of both management and unions; our questionnaire will test for some examples of this on the part of management.

5) **Direct pressure on dissenters.** In the industrial relations area, this has been observed in peer pressure on "rate-busters" to conform to group production/effort norms.

Marxist Theory

The attitude of Marxian socialists toward trade unions and their role in the economic system has tended to be ambivalent, stemming largely from the attitudes of Marx himself. As Avineri puts it;

"...Marx's attitude to trade-union activity has always had two aspects: Marx urges trade union activity because it creates the nuclei for social, other-directed behaviour in the worker, encouraging class consciousness, and because he holds that strikes, etc, can help the worker achieve better economic conditions. On the other hand, he never believed that trade union activity as such could remake the world, since it could not change the structure of society or the quality of human labour under the conditions of capital." (Averni, 1968: 121)

The idea of an institutionalised system of cooperation between workers and employers is, therefore, completely alien to the aims of Marxist theory, which envisages the ending of the fundamental contradictions between the two in a *revolutionary* rather than an *evolutionary* manner. Nevertheless, the emergence of such a system might not completely have surprised Marx and Engels, who observed that trade unions were only really efficient at defending the interests of the working class in times of prosperity and that in times of stagnation and crisis their power was revealed as insubstantial (Howard and King, 1989:9). Such improvements as could be achieved, as well as employers willingness to bargain with unions at all, were accomplished, in this view, only in so far as the resultant industrial and social harmony was conducive to the concentration of capital. And benefits won tended to be concentrated among a minority of workers.

Nevertheless, the Marxian analysis can probably accommodate the observed process of 'raproachment under duress' which might be said to underlie the current phenomena of the "New Industrial Relations", albeit from a highly cynical and disapproving perspective. It's prediction, however, must be for the failure of any such model due to its inability to resolve the enduring and fundamental contradictions between the interests of labour and capital.

Human Resources Management

The Human Relations Movement grew out of the work of Mayo in the 1920s, and particularly his experiment at the Hawthorn Works in Chicago. This, and the contributions of Maslow and McGregor, provided the basis for the movement, which presented itself as a humane alternative to the mechanistic organisational model proposed by Frederick Taylor. It's basic thesis is that workers respond primarily to their social environment, and that a satisfied employee works harder than an unsatisfied one. In the last decade, this approach has been refined into the Human Resource Management (HRM) approach.

Many HRM concepts, such as leadership and team building, are drawn from organisational behaviour theories. The aim is to build commitment by employees to their employer, and it involves devices such as the disclosure of information, removal of hierarchies and status symbols, participation, an emphasis on quality of work and a willingness to be flexible. It effectively assumes that a commonality of purpose can be recognised and established between management and staff, even where the relationship has traditionally been one of distrust. In contrast to traditional personnel management policies, which tend to focus on day-to-day issues, HRM is intended to be integrated into the overall strategy of the business. And, again in contrast to personnel management, which usually functions within the structures of union/management collective bargaining, there is a unitarist

and individualist thrust to HRM which trade unions, in particular, often find threatening.

The very nature of HRM is still controversial. Questions are raised as to whether it is it a theory, an employment regulation system or an ideal-typical vision of how people should relate in organisations (Lucio and Weston, 1992: 77). And this uncertainty is mirrored (as noted in Chapter 2) in a diversity of trade union strategies on how best to 'accommodate' or to 'combat' HRM.

At this stage in its development, two variants of the basic HRM model are observable. The 'soft' version of HRM emphasises the importance of high motivation, high commitment, communications and enlightened leadership. Human resources are seen as valued assets rather than a variable cost. This derives from the writings of Maslow (1954), Herzberg (1966) and of McGregor's Theory Y. The ultimate logic of this approach is the construction of a purely unitarist culture within the firm, leading to "...the replacement of the class struggle with the struggle for markets" (Basset, 1987: 174).

By contrast, the 'hard' version of HRM emphasises the calculative, quantitative and strategic management aspects of 'rational' management. Both approaches, however, as noted above, pose serious challenges for trade unions. Hard HRM, as practised in the US in particular, often involves an

explicit goal of a union-free environment, whether this requires excluding unions from the outset or a 'union-replacement' strategy targeted at established unions. More insidiously, but perhaps even more threateningly from the unions viewpoint, soft HRM may involve the exclusion of unions through the usurpation of their traditional functions, such as grievance resolution, through new arrangements within the firm. While such hostility to workers organisations may seem strange, especially in the soft version of HRM, one reason may lie in the fact that HRM is often practised in conjunction with methods such as Just In Time sourcing. These methods tend to create a complex web of high dependency relations which would be highly vulnerable to even low levels of traditional industrial action (eg, work-to-rule). There is evidence that some British companies which have copied the JIT system have failed to appreciate this fact (Bratton and Gold, 1993: 78)

While the assumptions behind the HRM ideal appear reasonable, questions have been raised on a priori grounds as to whether managers and trade unionists, schooled for years in a confrontationalist atmosphere, are likely to be able to make the adjustments required to operate it successfully. More worryingly still for exponents of HRM is an analysis of the data from the 1990 UK Workplace Industrial Relations Survey (involving a nationally representative sample of 2,000 firms) by Fernie and Metcalf (Fernie and Metcalf, 1994). This examines the relationship between employee-management

relations and six sets of HRM characteristics. The results are almost uniformly negative for HRM proponents. Good relations, for example, are not associated with the presence of a HRM specialist. Indeed, the reverse appears to be the case (and with no support from the evidence that this is due to the direction of causality running from the existence poor relations to the appointment of such a specialist). Neither do contingent payment systems result in better relations, nor single status for manual and non-manual workers. In fact, workplaces which have reduced demarcations have a worse climate than where no such changes have been made. And formal disputes procedures do not appear to confer any advantages in these terms either. The only positive finding was that the climate did improve where work teams met at least once a month to discuss performance and problem solving.

From the perspective of this study, it is interesting to note that Fernie and Metcalf conclude that workplaces with strong or no unions have better relations than those with weak unions (Fernie and Metcalf, 1994: 17). They hypothesise that this may be due to a better capability of strong unions to deliver their side of bargains made. Interestingly, also, is that finding that multi-union environments have an inferior climate to those with a single union.

In Ireland, in contrast to the US, HRM policies do not appear to be associated with non-unionism in companies (Roche and

Turner, 1994: 18-19.)). Indeed, their research suggests that non-unionism in Irish companies is more closely associated with traditional attitudes rather than newer, HRM, ones. These findings are supported by recent work in the UK, where Millward undertook an analysis of the 3rd Workplace Industrial Relations Survey on behalf of the TUC, looking at the relationship between HRM and anti-unionism. He concluded that there was no relationship between HRM and anti-unionism in the UK (Monks, J, 1994: 42-47).

Conclusion

Clearly, the industrial relations scene, where economic considerations interact with psychologically-based drives within the context of institutional forms, historical legacies and legal underpinnings, offers rich potential for a wide variety of theoretical approaches. Given such complexity, it may help to state the question simply, whatever the risk of over-simplification. We are asking, therefore, whether trust between the parties concerned can replace suspicion and hostility, given that there would appear to be reasons why this might be to the benefit of all of those concerned. Such a development, of course, might come about in a number of ways, and observed instances of apparent harmony might indicate the presence of factors other than genuine mutual trust.

Economic theory, as noted above, offers the possibility of a cooperative modus vivendi between industrial relations

agents, but no real dynamic working towards the creation of mutual trust as such. Sabel proposes the "studied trust" model (as implemented in the Manufacturing Innovation Networks (MAIN) project in Pennsylvania). This was based on a joint study of their industries by the parties involved, which it was hoped would lead to a reconsideration of their traditional assumptions. The participants in each project consisted of different manufacturers, of unionised and non-unionised workers, with State agencies also involved, as active parties rather than simply as facilitators.

Generally it was found that groups initially overestimated the costs and underestimated the benefits of cooperation. Firms found that, while becoming specialists themselves in order to survive competition, they had become more dependent on the provision of complimentary products and services - but without grasping the cumulative significance of these incremental changes. It was also apparent that the different parties entered the project with different agenda (as might be expected). In the Lehigh Valley project, which brought together unionised and non-unionised workers, the unions saw the scheme as a means to induce non-unionised firms to conform to union standards. The non-union workers simply saw the unions as a problem, a monopolistic group which imposed penalties on them. Through the project, they both came to see the issue as how best to service the specialist firms in the Valley (Sabel, 1993: 1160).

Sabel concludes that those on the right will see the broadening of participation involved in the Pennsylvania experiments as a move toward community capitalism; those on the left will see it as a means by which Government can decrease the disparities in power between workers and management. But these initial differences in perception are not important. The process involved, in his view, is akin to the way in which the resolution of national disputes (eg, wars) often involves re-definition of their causes. Thus, what were once bitterly-resented offenses are re-interpreted as misunderstandings. The doings of the past, while not forgotten, are formally excluded from consideration on future action. Most notably, the attempt to pursue 'justice', or the 'righting' of past wrongs is abandoned.

As illustrated by the Marxist critique, however, it is evident that neither the new flexible production nor, very likely, any other formal structure, is any guarantee of a progression to an inherently harmonious model of industrial production.

Chapter Five - Methodology

Objective

The general objective of the study is to ascertain whether, and to what degree, there is evidence of an evolution in the current industrial relations regime toward a more participative model, and, specifically, whether the trade union movement is a positive or a negative force in this development. More specifically, we are interested in whether the trade union movement in Ireland is any nearer to achieving its stated objective of securing a role in the decision making process of the firm. Clearly, we do not expect to see evidence of revolutionary developments; the world of industrial relations (like most areas of human interaction) does not work that way. Rather we are looking for the early signs. The questions which we will ask of managers in our chosen target sector are designed to test for the presence of crucial precursors to the type of relationship between them and the unions which might one day arise if the "new industrial relations" really is to have a future. We shall search for measures of the degree to which management perceives that the trade unions with which they deal are growing in awareness of the commercial realities facing the firm - a dimension long considered by both sides to be the exclusive domain of management. We shall also ask them to measure their current level of trust in aspects of their relationships with the unions and how this has developed over the last five years. In addition, we shall

seek management assessments of the level of competence and expertise on the part of the trade unions to qualify them for involvement in decision-making on the technical aspects of the introduction of change and, once again, the nature of developments here over the past five years. And, finally, we shall ask the managers to give an assessment of their own level of receptivity to suggestions from the union side on aspects of strategic decision making within their firms. As noted elsewhere, it is recognised that this approach relies exclusively on *management* assessments and these, by their nature, cannot give a rounded view of developments. However, in the absence of a far more ambitious project, it is argued that the information obtained will still be of value as a partial picture of a complex and evolving situation.

Research Design

The structure of the study is threefold. In the first instance (Chapter 1) we have surveyed the nature of the concept with which trade unions are now being asked to identify, ie the competitiveness of business firms. We have attempted to show how, despite the undoubted importance of cost competitiveness, the flexibility dimension is also crucial, and how trade unions have a pivotal role in determining to what extent a country can achieve greater flexibility in its industrial structure. In Chapter 2 relevant literature on the debate concerning the current and future role of trade unions has been surveyed, and specifically their *response* to innovations such as Human

Resource Management and team-based manufacturing. Naturally we have paid special attention to the response of the Irish trade union movement, and in particular their recent publication, "New Directions in Work organisation: Options for Unions". We have also drawn on examples of developments internationally, principally in the UK and USA. In Chapter 3, we have attempted to crystallise the issues as they are perceived by the Irish trade union movement at present, and specifically as exemplified in the response of trade unionists to the analysis set forth in "New Directions in Work Organisation". Chapter 4 has attempted to relate these to a number of theoretical frameworks.

The second phase of the study takes the form of a sample survey by questionnaire (preceded by a pilot survey), followed by a statistical analysis of the data. It is intended that a conclusion will be reached on the hypothesis underlying this study on the basis of the data obtained from this survey. In view, however, of the numerous dimensions to the question, and the essentially subjective nature of the management response, it is considered that it would be useful to conduct a small number of case studies in order both to illuminate the results obtained and to extend the enquiry along lines suggested as promising by the survey.

Population

In order to research the question of the role of trade unions in the management of the process of change within industrial enterprises, I have sought to identify a particular Irish industrial sector which has experienced recent changes in work practices and in which there is a significant degree of unionisation. The initial selection of a suitable industrial sector posed problems in that the process of change is as yet at an early stage in Irish industry and informal enquiries (from trade union officials and from the Irish Productivity Centre) indicated that application of the new methods is as yet "sporadic" and that no specific Irish industrial sector could be said to be especially affected. Nevertheless, enquiries from the above mentioned sources, and inspection of the Census of Industrial Production, suggest that the Instrument Engineering sector, NACE 37, is probably an appropriate target for such an investigation¹.

The **population** of interest for the purposes of this investigation, therefore, is **those firms within the Instrument Engineering sector who have experienced changes of the type outlined in Chapter 1, and whose workforce is wholly or partially organised by at least one trade union.** The practical considerations involved in defining and sampling from this population are set out below. The indications are that the total population amounts to somewhat

¹ See Appendix B for a definition of the NACE 37 industrial sector and details of employment in its firms and of their nationality.

less than eighty firms. (This estimate is based on both on the survey findings and preliminary enquiries). The completed questionnaires received from firms surveyed indicated that all had experienced changes in working methods almost all had some trade union presence.

The distribution of firms in the sector by employment level is set out in Table 1. It can be seen that, if firms with employment levels below 10 are assumed to be beyond the scope of the survey, the population (on the CIP definition) is not above 57.

Table 1	
EMPLOYMENT PATTERN	
Under 5	6
5 to 9	16
10 to 14	7
15 to 19	5
20 to 29	9
30 to 49	8
50 to 99	8
100 to 199	6
200 to 499	14
500 and over	2
Total Firms	81

Source: Census of Industrial Production, 199

Sample

As indicated in the Census of Industrial Production (CIP) of 1990, the number of firms within the NACE 37 sector, at 81, is not large (and, indeed, shows a fall from the figure of 85 recorded in the 1989 CIP). It would, in fact, be feasible

to survey all of them. The CIP shows, however that a significant proportion (ie 42%) are very small firms (ie, under 14 employees). This could be expected to lead to both a high proportion of non-respondents and a significant incidence of non-unionised firms, so that there is some *a priori* reason for selection of only the larger firms². Non-unionised firms of course, of whatever size, do not form part of the population for the purposes of this study.

Given my choice of NACE 37 as defined by the Census of Production as my target sector, I would ideally have liked to have a listing of the 81 firms covered in the CIP. Under present legislation, however, the Central Statistics Office (CSO) is precluded from divulging any of the basic data from the CIP (or any CSO survey).

In the CIP, firms are allocated to an industrial sector on the basis of a detailed breakdown of their turnover. Clearly this allocation depends on detailed information which is only supplied on a confidential basis to the CSO. In the absence of such data it is impossible to formulate a sampling frame which duplicates the composition of the NACE 37 group as used in the CIP. It has been necessary, therefore, to rely on other published sources, selecting firms according to whether their principal listed activity accords with the definition of NACE 37.

² In fact, I wrote to or telephoned all of the firms in the sector, and sent questionnaires to all who indicated that they would be prepared to complete them.

In practice, this involved the use of listings such as "The Sunday Business Post" top 1000 Irish Companies (ranked by turnover). From these listings, and from additional data obtained from a State agency (supplied on a confidential, non-attributable, basis³), it has been possible to identify some 125 firms which might be said, on the basis of a simple description of their main activity, to belong to the Instrument Engineering sector. It is likely that some 44 of these 125 firms would have been allocated by the CSO to other NACE groups, such as the Mechanical Engineering or Electrical Engineering sectors (NACE 32 and 35 respectively). This is a difficulty which O'Malley has also noted (O'Malley, 1987: 180) as arising in comparisons of CSO and other listings. Direct enquiries, however, subsequently revealed many of these 125 firms to be very small enterprises with no union presence.

As noted, the purposes of the investigation require an examination of the interaction of aspects of trade union presence in the workplace with the manner of implementation of changes in working methods. In practice, I believe, both of these variables are less likely to manifest in the smaller firms who, additionally, are probably less likely to participate in the study. And, while I contacted all of the firms who I could identify as probably belonging to the sector, the sample has essentially self-selected itself in

³ This data comprised a listing of company names and addresses only. No details of nationality or employment levels was included.

such a fashion as to consist almost entirely of other than the smallest firms. While it cannot be claimed, therefore, that the sample meets the strict criteria for randomness which are required for many statistical tests, it is reasonably well targeted on the population of interest and aims at a high degree of coverage of that group.

Research Instrument

The research instrument for the sample survey stage of the investigation is a postal questionnaire consisting of four sections (see Appendix C). These are described below.

Section A asks for details of company structure, ownership, the type of changes which have been introduced in the last five years and the reason for the introduction of these changes.

Section B asks for details of the production workforce including number, sex, age and educational structure.

Section C seeks details of the industrial relations environment including the number of unions, their identity, the proportion of the production workforce unionised, whether there is a specialist manager in the area, union attitudes toward change, their degree of involvement in the process of change and the effects of this involvement.

Section D consists of a series of propositions concerning union attitudes and competencies to which respondents give calibrated replies. They also give calibrated responses to a series of propositions regarding their own receptivity to suggestions from the trade unions.

The data obtained from this questionnaire is to be coded and entered on a spreadsheet for later transfer to SPSS for statistical analysis. The spreadsheet incorporates formulae to calculate aggregate measures from the data in the final section, giving overall scoring measures (see below for details) for management evaluation of the unions, both for the section as a whole and for selected sub-sections.

Following the completion of the statistical testing it is proposed, as noted above, to conduct a limited number of case studies. The subjects for these will be chosen according to the results obtained from the analysis of the data (ie, with a view to finding suitable firms with which to clarify questions arising from the sample survey results). The case study will consist of a short interview with the company representative responsible for personnel/industrial relations matters.

The subject matter under investigation here derives, as noted in Chapter 2, from the possible approaches to change set out in the ICTU-commissioned document "New Forms of Work Organisation -Options for Unions". This set forth three basic

approaches⁴ toward the introduction of new methods which the ICTU might recommend to trade unions. These can be characterised as opposition, neutrality or pro-active involvement. It is the intention to use the data collected in my survey to decide which of these models broadly describes the pattern of industrial relations in the sector chosen, and whether there is any evidence of an evolution toward the pro-active model. The overall expectation is for a neutral attitude on the part of the trade unions, with perhaps some evidence of some a shift toward a pro-active stance. This expectation is incorporated in our working hypothesis, which is stated as follows:

"that there are positive indications of a fundamental shift in trade union attitudes and aptitudes which are indicative of a new orientation in industrial relations (as measured by management assessments)"

The basic test of this hypothesis will be the management assessments of the attitudes and aptitudes of the trade unions with which they deal, as rendered into an aggregate score from all of the attitudinal questions in Section D of the Questionnaire. An average score on this aggregate measure which takes it into the positive end of the range (on a 5 point scale from Highly Negative, through Negative and

⁴ The report actually presents five options, but I have reduced these to the three basic types of approach which the report presents as characterising union reaction internationally.

Uncertain, to Positive and Highly Positive) will be taken as supporting the hypothesis.

Explanatory factors for the observed pattern of responses to the attitudinal questions will be sought in the characteristics of the firms and of their workforces.

Pilot Survey

Prior to the conduct of the main survey the proposed questionnaire was circulated to 8 firms, selected from outside the NACE 37 sector but in sectors which seemed likely to share some of its characteristics. Five of these were returned and corrections were made to the wording of some questions based on the responses obtained. Alterations were also made to the text of the covering letter, stressing the confidentiality of the enquiry and assuring respondents that, even should they be unwilling to answer one or more questions, we would still like them to return the questionnaire with as much information as possible.

Statistical Techniques

The nature of the data obtained, which is mainly in the form of nominal and ordinal measures, renders parametric statistical tests inapplicable. The small sample size also greatly restricts the choice of statistical tests available. Indeed, the sample is too small for even the use of non-parametric methods such as the Chi square test, as more than 20 per cent of categories would have frequencies of below 5

even when categories are amalgamated to increase observed frequencies. We have to rely, therefore, on Spearman's rank correlation method (with all of the caveats relating to causality which must always apply to such associations) to assess the strength and direction of association between variables of interest to us, where these are expressed in ranked scales. In cases where we require to assess whether sub-groups within the sample (eg, those possessing as against those not possessing an Industrial Relations manager) show significant differences in response on an attitudinal measure, the Mann Whitney⁵ test is used to determine whether their average scores differ significantly. In cases where the sub-groups are divided on a measure which has more than two states (eg, firm type, nationality, etc.) the Kruskal-Wallis⁶ test is used. These tests have few stringent requirements, though the Kruskal-Wallis test does require that each sample is of at least size 5. Like most methods of statistical inference, though, both tests do assume that we are dealing with random samples.

The enquiry, as already noted, focuses upon a set of management attitudes, expressed in Likert (ie, ordinal) scales, and a range of variables relating to company

⁵ The Mann-Whitney test is a non-parametric alternative to the *two-sample t test*. It tests the null hypothesis that the data come from identical populations.

⁶ The Kruskal-Wallis test is a non-parametric test which is used to test the null hypothesis that k independent samples come from identical populations, against the alternative that the means of the populations are not equal. It thus provides a non-parametric alternative for a one-way analysis of variance.

structure and workforce characteristics. These latter are a mixture of ordinal measures, quantitative measures and dichotomous variables.

Among the ordinal categories, for example, are the proportion of the workforce unionised (five graded categories) and union initial attitudes toward change (four graded categories, from opposition, through scepticism, neutrality and enthusiasm).

One important variable, age, is provided as grouped numerical data (ie, numbers in each age group). This is recoded into graded categories and treated as an ordinal variable, with 5 values corresponding to progressively higher average age of production workforce.

Educational data is provided as numbers who have completed various levels of education/training. This is recoded to form an ordinal variable, with 6 values corresponding to progressively higher average educational level of production workforce.

Data which is clearly dichotomous (such as presence or absence of an Industrial Relations manager) is treated as ordinal, with two possible values.

The nature of the data, and the range of statistical techniques permitted by this, means that this enquiry will

be essentially descriptive in nature. We will seek to establish statistical relationships, in accordance with those suggested by the preceding literature review, and will advance reasoned but essentially speculative arguments as to the causes of any findings which do not accord with our expectations. Some of the principal specific areas for investigation are as follows:

1) As noted in Chapter 1, one characteristic of the new production methods currently being introduced is the flexibility allowed by new (often computer-controlled) tools. This enables both a move from mass production toward **batch or customised production** methods and requires a higher degree of flexibility on the part of operatives. It is proposed to test whether the more cooperative pattern of industrial relations is especially closely associated with the latter two production methods and/or with movements toward them. The working hypothesis is that it will be.

2) Both the traditional "Personnel" approach to industrial relations and the new "Human Resources" approach involve **specialist managerial staff** devoted to this area. It is proposed to test whether firms with such managers demonstrate higher degrees of union competence and involvement, whether they are associated with more successful implementation of change, with a more co-operative attitude on the part of the unions and with more suggestions made by trade unions. The expectation is for a positive finding.

3) Some studies have suggested that changes involving **new machinery** (as opposed simply to new working methods) are associated with higher degrees of cooperation on the part of the workforce. We shall test whether changes of this type are associated with higher scores on our measures of cooperation and with a longer-term orientation on the part of the unions. We shall also test whether such changes tend to produce different reactions from different unions in the workplace. The expectation is that these relationships will hold.

4) **Companies incorporated under EU Statute** will be covered by the EU regulations regarding the setting up of Works Councils. Even where companies are too small to be affected by these provisions it might be expected that those which have chosen this status would be more disposed to a cooperative model. The data will be used to test whether EU incorporated companies have higher scores under all of our measures. It is hypothesised that they will.

5) One aspect of the flexibility which is the hallmark of the new methods may be a greater degree of **decision-making autonomy on the part of local subsidiaries** of international companies. We shall investigate whether higher degrees of local autonomy associate with higher scores on measures of cooperation and trust, with the expectation that they will. If such affiliates (and, indeed, Irish-owned companies) are more closely attuned to the attitudes of their workforces,

we would also expect a lower incidence of changes and proposals being abandoned due to union opposition

6) One of the fears of trade unions is that the new working methods, combined with Human Resource management approaches, will effectively sideline them through the establishment of **new channels of communication between management and workers**. We would expect to see a negative association between the introduction of such channels and the receptivity of unions to suggestions for change, and with any tendencies for them to make suggestions for changes.

7) **Increases in employment** might be expected to engender a more cooperative attitude, leading to higher scores on these measures. Commercial pressures resulting in **job losses** could either provoke a defensive and negative attitude toward change or induce greater attempts by unions to direct the process of change in a way more conducive to job protection. The data will be used to test which effect is more evident, and whether other factors such as the existence of specialist IR staff has an influence.

8) The prevailing rate of **unemployment**, and various measures derived from it, has been hypothesised to influence other economic variables, such as the inflation rate. In this study, we shall be interested in whether an increase in unemployment produces a higher degree of cooperativeness on the part of unions, with a working hypothesis that it will.

Several definitional problems arise here, as no official measure of the rate of unemployment is published for regions or counties. However, on the basis that some research in economics has suggested that it is the increase in rather than the rate of unemployment that influences the behaviour of labour market agents, we shall take the percentage increase in the unemployment figures per county over the past five years and relate it to the various scores calculated from the data.

9) **Age and Education** profiles of workers will be related to the calculated scores to test the hypotheses that younger and/or more highly educated workers are more cooperative and participative. It is expected that they will be.

10) The questionnaire asks for details of areas where the unions may have seen **conditions disimproved through the introduction of new methods**. We shall seek to identify which types of changes associate with union initial opposition, rejection before or after implementation, and overall low scores on measures of cooperation.

11) It would be of interest to compare the scores of **different unions** to see if significant differences existed, with a null hypothesis of no difference. This will depend, however, upon differing patterns of union representation being present in different firms.

Statistical Significance Levels

In reporting the results of the statistical analysis of the data, our practice will be to take the 5% level of statistical significance as our benchmark. References to a 'significant difference', therefore, mean that the 5% level was reached. If any other level of significance is being referred to, it will be quoted.

Treatment of Data

As noted above, the final section of the questionnaire invites respondents to give calibrated replies to sixteen questions regarding the commercial and technical competencies of the trade unions with which they deal. The seventeenth question gauges their receptivity trade union suggestions in four named dimensions of commercial/manufacturing activity, plus two options for respondents to suggest additional dimensions. The entire section, therefore, comprises a measure of how 'favourably' the respondent views the trade unions with which s/he deals. In order to facilitate statistical analysis, a number of aggregate measures are calculated from the data in Section D, and from some of the earlier questions. This involves simply adding the Likert scores from various selections of fields. A description of each of these follows.

Section D of the questionnaire (as well as some questions in Section C) contains some questions which ask for potentially sensitive assessments by managers of trade union attitudes

and abilities. It was expected that some respondents would show reluctance to answer all of the questions. And, while selective non-response was much less of a problem than had been feared initially, there were still a number of non-responses⁷. In the calculation of the aggregate scores from the data, then, scores from Section D are calculated as a percentage of the possible score, ie excluding unanswered questions. (The maximum value attainable on any D question is 5. Thus every question answered adds 5 to the possible score. Any question left blank is excluded from calculation of the possible score).

Under this scoring system, the minimum possible score is 20%. This would be produced by a 'least favourable' attitude to unions on every question answered. The maximum score of 100% would be achieved by a 'most favourable' attitude to unions on every question answered. All replies must therefore fall within a range of 80 percentage points. Scores within the range of 20 to 46 will be taken (broadly) as being consistent with perceived negative attitudes and low capabilities on the part of unions. Scores from 46 to 76 would be intermediate and those from 76 to 100 would be indicative of a very positive management assessment of union attributes.

⁷ The covering letter sent with the questionnaire asked respondents to leave blank any questions with which they were unhappy. This was to prevent the danger that they might discard the entire questionnaire upon encountering such a question or (as was suggested by one respondent at the pilot stage) simply enter a 'favourable' reply.

The scores calculated are as follows:

DScore:

The questions in Section D measure management attitudes toward trade unions in all of the dimensions relevant to this study. **D1 to D16.**

CMScore

Questions **D1 and D3** measure perceived union awareness of competitive requirements. Possible scores range from 2 to 10.

CMImp

Questions **D2 and D4** measure perceived improvements in union awareness of competitive requirements. Possible scores range from 2 to 10.

CPScore

Questions **D7,D9,D11 and D13,** measure union technical competence. Possible scores range from 4 to 20.

CPImp

Questions **D8,D10,D12 and D14,** measure improvements in union technical competence. Possible scores range from 4 to 20.

RecScore

Question **D17** (6 parts) measures management receptivity to union suggestions. Possible scores range from 4 to 30.

Conduct of Survey

The sample survey was conducted over the period May 1994 to August 1994, this being the period over which questionnaires were distributed and returned. Almost all of the firms which agreed to accept a questionnaire ultimately returned it, though this often required follow-up letters and/or telephone calls.

At one point, in order to increase sample size, enquiries were made from firms in Northern Ireland since these, if unionised, would probably also be dealing with ICTU-affiliated unions. Twenty-eight such firms were identified and questionnaires sent to 8, of which 5 were returned. Curiously, each of these were excluded from our population of interest through being either non-unionised or having implemented no changes within the past five years. It was decided not to proceed with this line of enquiry.

The final sample size therefore was thirty-nine firms.

Chapter Six: Survey Data Description and Analysis

Section I

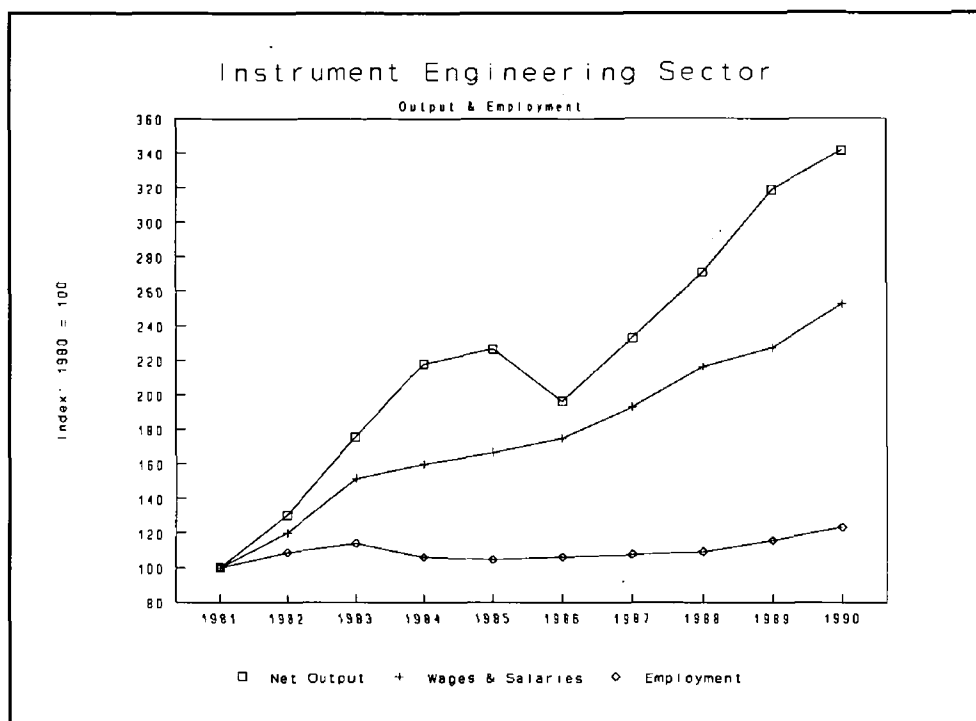
An initial inspection of the Census of Production data serves to identify the salient characteristics of the NACE 37 sector.

Employment, Output and Pay

The latest Census of Production, for 1990, shows a steady increase in employment in the sector in the last nine years, with a total increase in employment of 23 per cent over the period 1981 to 1990. This is equivalent to an annual average rate of growth of 2.3 per cent, and contrasts with the overall performance of manufacturing industry during the period, which showed an annual average fall of 1.6 per cent.

As the graph below illustrates, however, both total pay and net output have performed considerably in excess of this. Total pay increased by an average of 10.2 per cent per annum while net output rose by 14.6 per cent per year. Overall, pay per head increased by an average of 7.6 per cent per annum over the period. This is approximately equivalent to the rate of increase for all workers in manufacturing industry, which was 7.7% per annum over this period.

The Instrument Engineering sector thus exhibits the characteristics of a dynamic and growing industrial sector.



Source: Census of Production, 1990, Central Statistics Office

While our sample data does not permit analogous conclusions to be drawn regarding our target group, the employment findings are broadly consistent with this trend. Fifty-six percent of the sample reported increased employment over the past five years, with 8 per cent reporting unchanged levels. Thirty-six percent reported declines.

Nationality

As can be seen from Table 1, the sample is dominated by American firms. Indeed, only one Irish and one British firm was found among the respondents. The breakdown (by number)

is compared with that given for the sector in the Census of Industrial Production (Table 2).

Table 1: Nationality Breakdown of Sample

Irish	UK	Other European	USA	Japanese	Other
1	1	13	23	0	1

Table 2: Nationality Breakdown of NACE 37

Irish	Other EC	Non-EC	US	Other
34	9	38	33	5

Source: Census of Industrial Production, 1990

The principal difference here can be seen to be the under-representation of Irish firms. In so far as the reason for this can be ascertained, it would appear to be due to their being more concentrated among the smaller and non-unionised firms which do not, in any case, form part of the population for the purpose of this study.

The (lesser) degree of under-representation by European firms is partly due to the refusal by some quite high profile firms to participate in the study. This may have been due to the existence of well-publicised industrial relations difficulties in some of them. This factor is considered a more serious flaw in the representativeness of the sample than the under-representation of Irish firms, as the non-respondents are large and unionised and, if they are refusing

to participate due to industrial disharmony, their absence may bias the results of the survey toward the 'positive' end of the spectrum.

The nationality breakdown of the sample, which lacks adequate numbers of Irish, British or Japanese companies, means that any analysis of this factor will be in only in terms of American versus European firms (the latter to include Irish and British).

Production Mode

Batch or customised production is reported in 30 (77%) cases, with mass production used in 10 (26%) (some respondents reported use of more than one mode of production). Twenty respondents (51%) indicated either that there had been a move away from mass production toward batch or customised production or that such a move was currently in progress. The sample thus clearly showed the widespread incidence in this sector of this characteristic, which we expect to show some association with new forms of work organisation.

As noted in Chapter 1, the requirements of these differing production modes (especially with modern computer-controlled equipment) raises numerous issues concerning changes in work practices which could be expected to impact on industrial relations developments in the sector. Of the 30 firms reporting the use of batch or customised production, 28 (93%) indicated that the changes involved introduction of one or

more of the computerised methods indicated on the questionnaire.¹ Only one firm reported introducing none of the computerised methods during the previous five years, but it had introduced World Class Manufacturing.

In addition, Just-in-Time sourcing was reported by 59% of respondents, World Class Manufacturing by 44%, Cell Based Manufacturing by 45%, and other methods (ie, such as Total Quality Management) by 18 per cent.

New Technology

All of the types of new technology and new working methods mentioned in the questionnaire were well represented among respondents, with 7 other types also being mentioned. None reported the adoption of no new methods or technologies within the last five years. Thirty-four (87%) indicated that the changes had required the introduction of new machinery, a factor which we expect to be associated with a greater degree of positive change in the industrial relations climate.

¹ Automated materials handling/assembly, Computerised inspection and testing, Computer Aided Manufacturing, Computerised stock/production control.

Table 3.

New Technologies/Methods	% of Sample
Automated Materials Handling/Assembly	62
Computerised Inspection & Testing	31
Computer Aided Manufacturing	46
Computerised Stock/Production Control	67
Just-In-Time Sourcing	59
Cell Based Manufacturing	54
World Class Manufacturing	17
Other	18

Impetus for Change

A wide variety of reasons was quoted for the introduction of new methods, with three respondents ticking all of those suggested. The (somewhat catchall) reason of "Need to remain abreast of competitors" was given by 30 respondents. Twenty-seven indicated the response "Need to improve profitability" and 26 also indicated "Introduction of new products". The most interesting motivation from our viewpoint, the "Need to reduce labour costs" was cited by 25 (64%). Only 7 cited "Threat of closure" as a reason for introducing changes.

Decision Making Location

The questionnaire asked whether decisions on the introduction of new methods were taken at the Irish plant, jointly with Head Quarters, or at Headquarters. The results show the great majority of firms to take such decisions either locally or jointly with HQ.

Table 4.

Location	Here	Jointly	At HQ
% of Sample	39	54	8

Trade Unions

Thirty-eight companies reported recognising unions for the purposes of negotiation. As the study is centrally concerned with the role of trade unions in the process of change, replies which indicated no union presence in the company (8 received) were not included in the sample for analysis. An exception was made in the case of one company where it was indicated that there had been union involvement until recently but that contacts between unions and management had now ceased².

SIPTU, with 34 instances, was by far the most commonly cited union. The next was TEEPU, with 12 citations. Ten other unions were mentioned, but none by more than four companies. The sector emerges as highly unionised, with 87% of the sample reporting unionisation levels among the production workforce of 60% or over. Clearly, where unions achieve any degree of representation, they tend to recruit a high proportion of the workforce.

² This company is described more fully in the section on case studies.

Table 5: Proportion of Production Workforce Unionised

% in Unions.	Under 20%	20 - 40%	40 - 60%	60 - 80%	80- 100%
% of Sample	0%	0%	13%	13%	74%

Industrial Relations Manager

Twenty-two companies (82%) reported employing a specialised industrial relations manager. This title was adopted with a view to including both the (traditional) Personnel Relations specialist and the newer Human Resources practitioner.

In keeping with the increasing diversity of titles relating to this role, the literature suggests that the role of Personnel/Human Resources managers is problematic, with some recent research suggesting that the Human Resource approach may be associated with less cooperative industrial environments. We shall be interested in whether the presence of IR managers generally is associated with higher scores on the attitudinal measures in Section D of the questionnaire.

Consultation Patterns

Twenty-two companies (56%) reported consulting their employees over the implementation of change. Only 1 reported no involvement on the part of employees. Five reported involvement of unions at the post-evaluation stage, while 6 claimed full Joint Decision Making(JDM).

C5. *Where changes have been or are being made, have workers or their representatives been involved at any stage in their introduction³.*

Table 6 .

No Involvement	Information Only	Consultation	Post-Evaluation	Joint Decision-Making
2%	12%	59%	10%	18%

(It was, however, apparent from one reply that the respondent considered that the existence of an effective union veto over change amounted to 'Joint Decision Making', while the phenomenon in the mind of the investigator was a much more positive and cooperative process. Clarification of the term might have produced a more meaningful response).

The pattern of response here was fairly positive, with 87% of respondents opting for at least consultation, and 28% citing higher degrees of involvement.

Consultation Methods

On consultation methods, twenty-nine firms (74%) reported a reliance on normal negotiating procedures. Twenty-two (57%) reported use of special briefing arrangements or special project or steering groups. Only two reported productivity agreements, which in the past were often the favoured trade

³ While the question allowed for more than one response (and some respondents gave more than one) answers were coded by allocating respondents their 'highest' reported level of involvement (the scale being ordered lowest to highest in the order of responses tabled above, left to right).

union method of accommodating change, and only 2 a works council. Clearly this indicates less reliance on structured agreements which, as noted in Chapter 1, have sometimes been found too inflexible in dynamic situations in favour of a more *ad hoc* approach which can be more easily tailored to the needs of the moment.

Union Involvement and Attitudes

Union predisposition toward proposals for change cannot be described as positive, with 18 respondents (46%) characterising it as taking the form either of opposition (18%) or scepticism (28%). Although the largest single subgroup were neutral (33%), only 6 (15%) were described as reacting with enthusiasm.

Table 7: Union Initial Attitude toward Proposals for Change

Opposition	Scepticism	Neutrality	Enthusiasm
19%	30%	35%	15%

On the question of how union involvement affected the implementation of changes, only one firm considered that this had resulted in more rapid completion of the process. Far more (36%) saw it as having slowed it down. Most firms (54%), however, gave no response to this part of the question, perhaps indicating (quite reasonably) that the essentially hypothetical nature of the question did not allow for a meaningful response. Twenty (51%) agreed that union

involvement had been useful in highlighting practical considerations.

On the question of whether union opposition forced the abandonment of changes, 18 per cent of respondents indicated that this had occurred. More seriously, 5 per cent had had to abandon changes already introduced due to union opposition. Five per cent had had to abandon changes both before and after implementation due to union opposition. (Those companies who had had to abandon changes after implementation had also had to do so prior to implementation).

More encouraging, however, was the fact that 72 per cent of respondents had not had to abandon any changes due to union opposition either before or after implementation, though the questionnaire does not explore to what extent changes might not even be mooted by management when they anticipate a negative reaction by the unions.

New Liaison Methods

Central to the nature of changed patterns of industrial relations is whether new working methods involve contacts between management and employees which might be seen (especially by established trade union officials) as circumventing traditional union/management channels. The survey revealed that new liaison methods of this type had occurred in 54 per cent of cases. In 39 per cent of cases,

they had not (the others are accounted for by non-respondents).

The questionnaire did not explore the precise types of new liaison methods, defining them only in terms of whether they might be perceived by union representatives as 'bypassing' themselves. It is proposed to investigate this matter further in the case studies.

Problems with Individual Union Representatives

One question which it was feared might suffer from a significant non-response rate was C12, on whether the respondent regarded the attitude of any particular trade union representative(s) as a barrier to the implementation of changes. Surprisingly, no respondents left this question wholly blank, though the four (10%) who indicated "NA" may have effectively intended to avoid an answer. Thirty-seven per cent indicated that attitudes of individual rep(s) was a problem, but fifty-three per cent did not. Twenty-six per cent of those reporting "attitude problems" from union officials had also implemented changes which bypassed normal union/management channels.

Differing Union Approaches to Change

It had been hoped to investigate to what extent different trade unions reacted differently toward various aspects of change. The fact that the sector is so heavily dominated by SIPTU, however, leaves little scope for meaningful

comparisons (except, perhaps, with TEEPU, though these unions tend to be found together rather than in different firms). Only fifteen per cent of respondents considered that the different unions pursued a common approach toward the implementation of changes, while twenty-eight per cent did not. However, forty-one per cent did not answer the question, while sixteen per cent gave an inconsistent reply (ie, offering an opinion of this matter while having indicated that only one union was represented at their plant).⁴

Average Age of Production Workforce

The questionnaire asked for the numbers of the production workforce in each of five age groups. This data was then used to calculate a weighted average age of the workforce for each firm, which was broken down into groups and ranked for use in analysis. In the table below, the sample is broken down according to the weighted average age of the workforce.

Table 8: Average Age of Production Workforce

Av. Age Group	18 - 25	26 - 35	36 - 45	45 - 55	56 - 65
% Sample	3%	57%	36%	3%	0%

⁴ It is apparent now that the question regarding union attitudes should have specified unions "*with which you deal*", as do later questions relating to trade unions.

Educational Profile of Production Workforce

The questionnaire asked for a breakdown of the production workforce into six educational categories. This was used to calculate a weighted average level, which was then ranked, in the same way as the age data. While it is accepted that the notion of 'average educational level of workforce' is less meaningful than that of average age, this procedure is necessary in order to put the data in a testable form for relation to other ranked variables.

Table 9: Average Educational Level of Production Workforce

Av. Educ. Level	Sec/Voc Unfinished	Secondary/ Vocational	Technical	University
% Sample	9%	49%	37%	6%

No respondents reported workforces with an average education at Primary Unfinished or Primary level.

Staff/Union Suggestions

Most firms (59%) do not operate a staff suggestion scheme. It is possible that this indicates a lack of receptivity to suggestions from staff, or their representatives. This would be consistent with the experience regarding suggestions made by unions on operational matters, where 73 per cent of those answering the question had received none at all. Of the 10 firms (27%) who had received suggestions from union representatives, seven were on cost reduction, five on product development, two on marketing strategies and one on another matter (not specified). While the incidence of

positive union suggestions, therefore, is not very large, the fact that some are being made does at least indicate some departure from the traditional, wholly reactive, model of union activity.

Negative Effects of Change

The questionnaire listed several categories of effects of changed working methods which would have been perceived as deleterious by the trade unions. Effects on employment levels (20 reports) and overtime arrangements (21 reports) were the most common results of changed working methods which were likely to be perceived negatively by the unions. Job definitions and responsibility levels (23) were next, with 10 citations of pay.

Geographical Spread

The sample was distributed over most of the country, with only Carlow, Kilkenny, Meath, Sligo, Cavan and Monaghan unrepresented. While this makes for good national coverage, the small sample size combined with widespread geographical coverage means that no single location records a high number of observations (Dublin, with 6, has the most).

Unemployment

In view of the controversy among economists as to whether there is a relationship between the unemployment rate and the level of inflation, it was thought that it would be

interesting to test whether measures of trust and cooperation between unions and management showed any relationship with unemployment in the locality (ie, does the pressure of the threat of unemployment, and concomitant difficulty in obtaining alternative work when jobless numbers are high in the locality, lead to any greater degree of cooperation on the part of the unions). Unemployment rates, however, as a percentage of the labour force, are not published on a county basis by the CSO. It is proposed, then, simply to use the percentage increase in the numbers registered as unemployed in each county as an effective proxy for such rates.

CSO data were, therefore, used to calculate the percentage increase in registered unemployment levels in each county represented in the sample.

Management Attitude Measures

The questions in Section D of the questionnaire invite respondents to give calibrated replies (ie, Likert scales) to a series of propositions concerning trade union attitudes and competencies. The frequency distributions obtained for each of these propositions are outlined below. The following section relates findings on this set of questions to relevant structural variables (ie, characteristics of the respondent firms). In the next chapter, further relationships are sought among these variables themselves.

Q1. The trade unions are aware of the competitive needs of the company.

Table 10.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
3%	3%	21%	65%	8%

Traditional trade unionism has tended to focus on matters of direct and immediate concern to members. Their broader aims have often tended to presuppose an eventual overhaul of the entire economic system. If, instead, trade unions are to seek involvement in the direction of firms, they will have to cultivate an awareness of the same commercial imperatives which guide management decision making, and this in turn will have to be recognised as such by management. Though this enquiry does not explicitly enquire into the degree of financial and commercial expertise possessed by union officials, the logic behind this question presupposes some comprehension of ideas such as relative unit wage costs.

The response pattern to this question is clearly slanted toward the positive end of the spectrum, with 73% of respondents citing the two more favourable options. It would be expected that higher scores on this question would be obtained in companies experiencing **competitive pressure**, and the data offer some support for this view. The thirty companies who cited "Need to remain abreast of competitors" as a reason for introducing changes recorded an average score of 3.8 on this question, while the nine who did not instance

this reason had a score of 3.7. However, a Mann-Whitney test showed no significant difference between the two groups.

It might also be expected that a specialised **industrial relations manager** would have a role in communicating/educating trade union representatives on the competitive environment facing the company. The data show, however, that though those companies employing an IR manager (56%) recorded a lower average score on this question than those which did not. A Mann Whitney test revealed no significant association between the presence of an IR manager and the score achieved on this question.

The question of the role of new management **liaison methods** with employees which might be seen as bypassing traditional management-union channels is of considerable interest for the purposes of this study, though it is recognised the results may be difficult to interpret. Firms reporting the existence of such new methods recorded a significantly lower score on this question. This may indicate that such methods are introduced because union representatives are considered insufficiently aware of competitive requirements, though it would also be possible to argue that this deficiency is due to management failing to communicate with them and preferring to liaise directly with workers and/or local representatives.

It might also be expected that those companies choosing to involve workers representatives more closely in the

implementation of change would have a higher assessment of their appreciation of the competitiveness needs of the company. Once again, though, the data do not support this view. In fact, the 18 per cent of companies which either did not involve workers representatives at all in the process of change, or who gave them information only, recorded a score 5 per cent higher than the remainder of the sample, who engaged the unions in consultation, post-evaluation procedures, or joint decision-making. However, the rank correlation between score on this question and level of union involvement is not significant.

When broken down by **age group** the data show a clear progression, with average score on this question declining with increasing age of workforce. The rank correlation obtained here is negative, though significant only at the 7% level. Nevertheless, it suggests some negative association between increased average age of workforce and awareness of competitive requirements.

It had also been expected that increased **educational level** of workforce would show a positive association with score on this question, as representatives from among such groups would be more aware of competitive requirements. However, the observed positive correlation level was insignificant.

Among the deleterious effects of change instanced in the questionnaire, none showed significant association with scores on this question.

The questionnaire also instanced several forms of **participative structures** through which workers might become involved in the process of change. Only the use of Works Councils showed a significant positive association with score on this question, though in view of the small number (2) of respondents reporting these, no firm conclusion can be based on this finding.

None of the factors suggested as reasons for introducing changes showed a significant association with score on this question.

Q2. The trade unions have become more aware in recent years of the competitive needs of the company.

Table 11.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
0%	0%	3%	82%	17%

Although the ICTU document "New Directions in Work Organisation" might be seen as a sharp departure from previous union attitudes, it clearly reflects a debate which has been proceeding within the union movement for some time, both in Ireland and internationally. Combined with the increasing competition in both product and labour markets,

which regularly impacts in high profile crises affecting major employers, one would expect some "consciousness raising" effect to be apparent.

The response pattern to Question 2 is the most strongly concentrated at the positive of any in Section D, with 97% of companies citing the two more favourable options, and only 3%, (ie, one firm) indicating uncertainty on the matter. Average score on this question was also 11 per cent above that on Question 1.

The introduction of new products, when cited as a reason for introducing changes, showed a significant association with score on this question. This may be related to the installation of new machinery in cases of change brought about for this reason, though the variables of new products and new machinery did not show a significant association between themselves. The installation of new machinery showed an association with score on this question which was significant at the 7% level.

Separating the highly unionised firms from the rest, we find a higher average score among firms with 0% to 60% unionisation than among those with 60% to 100 per cent. The rank correlation coefficient between score on this question and percentage of the production workforce unionised is significantly negative, raising doubts as to how far any new thinking within the union movement has impacted on management

assessment of increased awareness of competitive requirements by unions at plant level. Such a finding also raises the worrying possibility that a high degree of unionisation may breed a kind of complacency based on a 'fallacy of strength', when, in fact, strong and cohesive union organisation is not in itself a defense against pressures arising from market developments.

The employment of an IR manager showed a significant association with higher score on this question perhaps suggesting, as noted above, some tendency for personnel staff to become involved in transmitting management attitudes and values to production staff.

Once again, the existence of Works Councils was the only participative arrangement which showed a significant correlation with scores on this question.

It may be noted that the incidence of positive and highly positive responses (ie, Agree and Strongly Agree) were both highest on these two questions than on any others in this section, indicating perhaps that union **awareness** of the competitiveness issue was the least of the problems management perceived, at any rate in terms of this enquiry.

The fact that the uncertainty level reported for question is the lowest recorded in the section (with no respondents indicating the least favourable options) also suggests that there is little doubt on the part of management in the sample

that union awareness in this area has grown in the last five years.

Q3. The trade unions are receptive to arguments based on the competitive needs of the company.

Table 12.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
0%	21%	15%	59%	5%

While awareness of competitive needs might be expected to grow simply through exposure to information, receptivity to such considerations implies a more radical adjustment, involving readiness to compromise, or even to surrender conditions achieved in the past.

Though the degree of positive inclination is much less here than for questions 1 or 2, with 64% of respondents citing the two more favourable options, it is still pronounced.

Again, companies citing introduction of **new products** as a reason for introducing change had a significantly higher score on this question, attesting to the effect on worker attitudes of the obvious commitment by management embodied in such a decision. The association between score on this question and installation of new machinery was also, as was expected, significant.

The presence of an **IR manager** did not seem to enhance union receptivity in this regard, as the score in the absence of such a manager was 2% higher than in firms where they were present, though no significant association was found by the Mann Whitney test.

None of the forms of worker involvement showed a significant association with score on this question, and there was no significant correlation between level of union involvement and score on this question.

Companies with higher degrees of unionisation (ie, 60%-100%) had an average score on this question which was 15 per cent lower than those with lower **unionisation** (0-60%), suggesting that unions were not a positive force for the internalisation of commercial considerations in the workforce. The rank correlation coefficient between proportion unionised and score on this question was negative, though significant only at the 8% level. As would be expected, the initial degree of union enthusiasm for change was positively and significantly correlated with score on this question.

Again, the only institutionalised form of participation to show a positive and significant association with score on this question was the Works Council.

In the area of **deleterious effects on working conditions** brought about by changed working methods, two categories (ie,

Job Definitions and Pay) showed significant negative association with scores on this question. This might suggest that, where crucial aspects such as these are affected, any tendency for unions to give weight to management arguments on commercial criteria is offset.

The **age** breakdown for this question again shows a clear fall in the average score with progressively higher average age of workforce, except for the single firm with an average age of 46. The correlation between score on this question and average age of workforce, however, was not significant.

The **educational** breakdown for this question reveals no clear trend, and the negative correlation obtained is not significant.

The introduction of **new machinery** as part of the process of change was significantly associated with increased scores on this question, again demonstrating the positive effect on worker attitudes of tangible management commitment, such as fixed capital investment.

As would be expected, those firms reporting the abandonment of changes after implementation due to union opposition had a significantly lower score on this question.

Q4. The trade unions have become more receptive in recent years to arguments based on the competitive needs of the company.

Table 13.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
0%	11%	13%	63%	13%

While it is expected that the process of increased awareness of competitive needs will lead eventually to increased receptivity to arguments based upon these, there was no high expectation that the process would have advanced by much to date. Indeed, the incidence of high-profile industrial disputes centred on aspects of the introduction of change led to an expectation of quite a negative response on this question. Still, the response pattern obtained on this question is more positively inclined than to Question 3, with 74% of respondents citing the two most favourable options, and low levels of both uncertainty and disagreement with the proposition. The average score on this question was 9 per cent above that for Question 3.

None of the factors cited as being responsible for the changes introduced emerged as significantly related to score on this question. This suggests that, if unions and their members are becoming more receptive to arguments based on commercial criteria, it is more due to perception of the overall competitive environment than to specific factors relating to the market position of their own employers.

Once again the role of the IR manager is unclear, with companies without one recording a slightly higher score. Again, though, the negative association observed is insignificant.

The rank correlation coefficient between level of workforce involvement and score on this question was significantly positive, as would have been expected. Indeed, from managements viewpoint, if involving workers and their representatives more closely in the process of change does not make them more receptive to the companies arguments, there seems little point in doing so.

As would also be expected, the score of those companies citing initial union attitude as neutral or enthusiasm is higher than for those portraying it as opposition or scepticism. The rank correlation between initial union attitude and score on this question is positive and significant. This may suggest that it is the *preconceived* attitudes of unions toward change (which may be forged within the union culture itself) that is more important in determining their attitude toward proposals for change than supporting arguments put to them by management.

No clear relationship emerges from the breakdown of this question on the basis of either average age of workforce or average educational level of workforce, though the negative correlation between score on this question and average age

of workforce was significant at the 7% level, providing some suggestion of lower receptivity on the part of older workers.

The introduction of new machinery as part of the process of change was significantly associated with increased scores on this question, again underling the importance of this factor in the introduction of new methods.

One unexpected finding, revealed by a Kruskall-Wallis test, was of a significant relationship between score on this question and tendency for decisions to be made outside Ireland, either at HQ (highest score) or jointly with HQ (second highest). This finding contradicts our expectation that locally-based decision making would be more closely attuned to what might be acceptable under local conditions. The finding, if not spurious, might indicate that unions have greater confidence in foreign-based decision takers, or greater conflicts with locally-based ones.

Those firms reporting the abandonment of changes *after* implementation due to union opposition had a significantly lower score on this question. This was not the case, here or in Question 3, with regard to changes abandoned *prior* to implementation. Clearly, forcing changes to be abandoned after implementation creates greater difficulties for management, and lowers their estimation of union receptivity to arguments based on competitiveness criteria.

In none of Questions 1 to 4 did any of the production modes (ie, Mass, Batch or Customised show a significant relationship with score on the question. This, again, contradicts our expectation that batch production, in particular, would show significant associations with aspects of changed industrial relations methods. It would be consistent, however, with the observation reported by ICTU that firms tended to implement selected aspects of changed methods, rather than taking 'packages' of changes as a whole.

Q5. I would be willing to share confidential information with trade union representatives.

Table 14.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
8%	13%	29%	45%	5%

Preliminary enquiries had suggested that respondents might be reluctant to answer questions of this type. (In the event, only one left this question blank, and s/he still returned a score of 4 on Question 6). The logic behind the question is that, if new forms of co-operation are to be developed (especially up to the level of Joint Decision Making), the sharing of confidential, and commercially sensitive, information with union representatives will at some point become necessary. Such requirements raise serious questions regarding the role of unions which represent workers in competing firms and, as noted in Chapter 1, may give rise to attempts by management (as in the US) to seek

to bring about something approaching the situation of a 'company union'. Largely in the belief that matters have not progressed this far in Ireland, this aspect of the question is not addressed in this study.

The response pattern to this question is again inclined toward the positive, with 49% giving the two most favourable responses. The bias, however, is not as pronounced as in Questions 1 to 4, and the uncertainty level, at 29%, is the third highest recorded in the responses.

Breaking down the data, it is found that the highest score on this question is among firms utilising batch production, rather than mass or customised production. This would be consistent with a need to consult with, and confide in, union representatives to a greater degree where the more demanding techniques of batch production were in use. However, the difference in scores between production methods was not statistically significant.

There are significant positive associations between increased score on this question and the incidence of changes leading to deleterious effects on both job definitions and responsibility levels. These may indicate a more developed style of communication in firms where significant changes have been made to job definition and demarcations. Managers may also be happier to confide in workers where they have received sufficient cooperation in these areas.

The use of special briefing sessions for ongoing consultation with the trade unions on the introduction of future changes was positively associated with score on this question. This would be expected as the use of such sessions probably amounts to a confidence-building measure which cultivates trust and mutual respect. No other form of ongoing consultation showed a significant correlation with score on this question. This would be supported by the finding that firms which had been motivated by the threat of closure had a significantly lower score on this question than others, suggesting that such pressures militate against the development of closer relationships with the trade unions.

Contrary to our expectations that higher levels of involvement by trade unions would be conducive to a greater degree of trust by management in them, there was no significant correlation between score on this question and level of involvement by trade unions.

Those firms employing an IR manager had a significantly higher score on this question suggesting perhaps, that the existence of a specialist in the field made more likely the emergence of the kind of relationships which would enable such confidences to take place.

Not surprisingly, willingness to confide in union representatives was found to be positively associated with the incidence of suggestions made by union representatives

on cost-reducing strategies and product development. It was negatively associated with the lack of any suggestions made by union representatives. This again indicates the confidence-building role of such interaction. Conversely, abandonment of changes after implementation due to union opposition was significantly and negatively related to score on this question.

Neither age nor educational level of workforce showed a significant relationship with score on this question.

The rank correlation between score on this question and proportion of the production workforce unionised was negative but significant only at the 12% level.

Q6. I would be more willing than I was five years ago to share confidential information with the trade union representatives.

Table 15.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
3%	15%	13%	59%	10%

Once again, changes in the overall industrial relations environment should be expected to be reflected in improvements in this dimension.

The pattern of responses here is more highly inclined toward the positive than in Question 5, with 69% indicating the two

most favourable responses. The average score on this question was 10 per cent above that for Question 5. The breakdown by category shows both similarities and contrasts.

Consistent with our expectations was the finding that increased willingness to confide in union representatives was positively associated with the incidence of suggestions made by union representatives, and negatively associated with the lack of any such suggestions. This finding is probably related also to the finding that higher score on this question is significantly associated with the need for product quality improvements as a factor in introducing changes. Clearly, any such suggestions from trade unions would be especially welcome under such conditions.

The installation of new machinery as part of the changes made again showed a significant positive association with score on this question, once again suggesting that investment embodied in the highly visible form of new facilities leads to greater cooperativeness on the part of the workforce, and thus greater management willingness to confide in them.

Generally, there were fewer factors showing significant correlations with score on this question, and those which did (or which came close to doing so) were the same factors which had shown up in the responses to Question 5.

The rank correlation between score on this question and proportion of the production workforce unionised was negative but insignificant.

Q7. *The trade unions have sufficient expertise to advise on the **planning** of changes in production methods.*

Table 16.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
16%	47%	24%	13%	0%

Question 7 is the first of eight which assess management willingness to involve trade union representatives in the practical application of changes, ie in the planning, implementation, monitoring and evaluation of changes in production methods. And, since decisions made at the planning stage determine to a large extent the range of options subsequently available to both union and management negotiators, involvement here could be seen as the ultimate aim of trade unionists who are seriously interested in adopting an approach of active partnership with management. The response pattern for Question 7, however, indicates that they have far to go to achieve this. In contrast to Questions 1 to 6, the response pattern is heavily inclined toward the unfavourable options, with 63 per cent of respondents indicating these, and only 13 percent citing the more favourable end of the spectrum. None indicated the most favourable option.

Again, surprisingly, firms taking decisions at their head quarters had a higher score on this question than those doing so locally or jointly (those doing so locally had the lowest score), though the scale of the difference fell just short of statistical significance at the 5% level. This finding again casts some doubt upon our initial expectation of a higher degree of trust in firms relying on a strong degree of local decision making input.

Even more difficult to explain is the finding of a significant negative association between score on this question and increased average educational level of the workforce. We can only speculate that managers may be less willing to involve more highly educated workers in strategic decisions because of a perception of greater possible erosion of their (ie, the managers) own function through the involvement of such workers.

Another unexpected finding was of a significantly higher score on this question among firms utilising mass rather than batch or customised production. While we had expected that the requirements of the (widespread) move to batch production would create needs and opportunities to involve the workforce and their representatives in decision making at various levels, it may instead be that companies find it more appropriate to involve workers under the more familiar conditions of mass production. This may in turn be related to the finding of a positive association between increased

score on this question and higher average age of workforce. This could suggest that managers feel more confident about involving more mature workers in this most sensitive stage of the process of change. (It is possible also, though, that the finding reflects greater confidence in longer-serving employees, who would tend to be older. The questionnaire does not contain sufficient information to separate these effects). Another possibility, though, is that these findings reflect the fact that managers may be more willing to involve older workers in planning decisions under this more familiar mode than in newer methods where they would have less expertise.

More in keeping with expectations was the finding of a significant positive association between increased score on this question and incidence of suggestions made by union representatives on production/operational matters.

A significant negative association was found, as would be expected, between score on this question and incidence of changes having to be abandoned prior to implementation due to union opposition.

A significant negative association was also found between score on this question and the lack of a common approach to change from different unions. Obviously, such a tendency would be regarded as disruptive and inimical to improved co-operation between management and unions.

Q8. The trade unions are better equipped than five years ago to advise on the **planning** of changes in production methods.

Table 17.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
11%	23%	29%	37%	0%

As mentioned above, in the event that unions are seriously seeking to involve themselves in change at the strategic level (and thus, hopefully, obviate or alleviate the results for their members when decisions are taken at this level without consideration of their needs) we would expect to see some evidence that management sees them as becoming more suited to that role.

The pattern of response to this question displays a more positive assessment of the potential role for trade unions in the planning of change, at least insofar as they are perceived as having improved in this dimension over the past five years. There is still, however, a considerable degree of uncertainty (ie, joint third-highest for the attitudinal questions) and a lack of any respondents indicating the most favourable option. It is notable, however, that the average score on this question is 24 per cent higher than that on Question 7 (this is the second biggest such difference, and is far greater than for any of the other 'competency-based' questions). It would probably be a mistake to accord too much significance to this finding, but it may indicate some

real improvement in management's assessments of union competence for strategic planning.

The results for the average age and average education variables mirror the results on Question 7, as do the findings for the differences in score according to decision-making location.

There is also a significantly higher score on this question for firms using mass production than for those using batch or customised production. As noted above, this may indicate that managers would have more confidence in union capabilities in older, more familiar methods than in the newer field of flexible production methods.

More in keeping with our expectations is the finding that firms reporting the installation of new machinery have a significantly higher score than those which did not. This variable emerges as consistently associated with higher scores on managers assessments of union attitudes and aptitudes.

*Q9. The trade unions have sufficient expertise to advise on the **implementation** of changes in production methods.*

Table 18.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
10%	39%	31%	18%	3%

The phase of actual implementation of changes decided upon is that at which unions have traditionally been most involved, albeit orientated principally, or exclusively, toward the protection of their members conditions rather than an optimal outcome from the operational perspective.

The overall response to this question is predominantly negative or uncertain, with only 21% of respondents giving a favourable response. The uncertainty level is the (joint) second highest recorded. This negative/uncertain response may reflect the fact that this stage is often the one at which conflicts are most evident under existing industrial relations arrangements, ie, when trade union representatives have not been given any involvement in any earlier stages of decision-making.

The pattern of results is similar to those obtained to Questions 7 and 8, with average age positively associated with, and average educational level negatively associated with increased score on this question.

As before, companies taking decisions at HQ had a higher score than those doing so here or jointly. There was, again, a significantly higher score for those who had installed new machinery.

Firms where unions had made suggestions had a significantly higher score than those where the unions had made none.

As would be expected, the incidence of proposed changes having to be abandoned prior to implementation has a significant negative association with score on this question.

The rank correlation between score on this question and proportion of the production workforce was negative, but not significant.

Q10. *The trade unions are better equipped than five years ago to advise on the **implementation** of changes in production methods.*

Table 19.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
10%	23%	18%	36%	13%

Once again, we would expect to see evidence of progress here if unions are to advance their role in the application of change. The fact that the average score on this question is 13 per cent higher than on Question 9 may indicate that such progress is being made.

The response pattern to this question is slightly positive, with 33% of respondents indicating unfavourable opinions and 49% favourable ones. As such it represents a reasonable indication of improvement in this dimension over the past 5 years, though the uncertain/unfavourable view is still that of the majority.

In the breakdown by production mode, mass production again significantly outscores batch and customised production. And firms taking decisions at HQ again score significantly higher than those doing so here or jointly with HQ. Those who had installed new machinery scored significantly higher than those who had not.

The incidence of disadvantageous effects on job definitions showed a significant positive association with score on this question. This could indicate that management views workers who have been willing to accept such changes as showing greater improvement in their suitability to advise on the process at the implementation stage.

There was a significant negative association between high score on this question and lack of union suggestions again tending to confirm that union initiatives in this area lead to improved management assessments of their attitudes.

*Q11. The trade unions have sufficient expertise to advise on the **monitoring** of changes made in production methods.*

Table 20.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
13%	26%	26%	33%	3%

As at the other stages, that of monitoring can be orientated toward either worker welfare or operational efficiency. Presumably, the management response will be dictated by how

far they consider the unions are able to internalise the latter consideration.

The response pattern to Question 11 is fairly even, though with only 36% indicating the two most favourable options it still shows significant management reservations about increased trade union involvement in this area.

The same factors broadly emerged as significant in Question 11 as in previous questions. Age and education again emerged as significant positive and negative factors respectively. Once again, respondents using mass production have a significantly higher score on this question than those using other modes. Those taking decisions at HQ also had a higher score than others.

*Q12. The trade unions are better equipped than five years ago to advise on the **monitoring** of changes made in production methods.*

Table 21.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
13%	21%	23%	30%	13%

Increased involvement of trade unions in the monitoring of changes would imply ongoing bodies such as technical groups, quality control circles etc. Though these do not emerge as significantly associated with increased score on this question, the response pattern to question 12 is more

favourable than for Question 11, with 43% indicating the more favourable options. Again, though, the prevailing response is unfavourable or uncertain. The average score for this question is only 0.03 per cent above that for Question 11, suggesting that management have not increased their assessment of union competence for greater involvement in this area.

Though the associations found are similar to previous questions, there are some interesting differences. For the first time, average age of workforce is not significantly associated with increased score, suggesting perhaps that improvements here apply also to workforces with a younger age profile. The significant negative association with educational level, however, remains.

It was also found that firms who had cited need to remain abreast of competitors as a reason for introducing change had a significantly higher score on this question than firms which did not cite this reason, suggesting, perhaps, that the pressure exercised by this factor was acting to make unions more suitable, in management's eyes, for a more participative role in this area.

Q13. *The trade unions have sufficient expertise to advise on the **evaluation** of changes made in production methods.*

Table 22.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
8%	21%	40%	32%	0%

The evaluation function, though retrospective, is of almost equal importance to that of planning, in that its conclusions set the basis for the future course of change. And as the process might, like the planning function and in contrast to implementation and evaluation, be expected to be deliberative rather than practical, it may be characterised as a higher-order form of involvement. We would expect, therefore, that any movement to a more co-operative regime would be characterised by increased involvement of trade unions at this stage.

While relatively symmetrical, the response pattern to Question 13 reveals the highest degree of uncertainty found among the questions in Section D. This response pattern shows considerable management reservations about involving unions in this process, with no respondents citing the most favourable option and 62% in the unfavourable or uncertain category.

The pattern of associations is again similar to previous questions. Age remains positively associated with higher

score, though education is not significantly associated with lower score on the question. Companies using mass production have a significantly higher score than others. Those who have not received suggestions from union representatives emerge as significantly less willing to involve them at this stage.

American companies record a significantly higher score than others on this question, though they did not show significant associations with scores on other questions.

Firms reporting the introduction of new products as a reason for introducing changes recorded a significantly higher score on this question. This may indicate that the exigencies of bringing a new product successfully into production require more of participative arrangements in strategic decision making.

*Q14. The trade unions are better equipped than five years ago to advise on the **evaluation** of changes made in production methods. Table 23.*

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
8%	13%	39%	31%	10%

Once again, an improvement in management's assessment of union competence to contribute to the process of evaluation of changes is crucial to meaningful participation by the unions.

The response pattern to Question 14 shows a much higher degree of favourable response (with 41% indicating the two most favourable options) but with nearly as high a degree of uncertainty as in Question 13. Uniquely, the average score on this question was 5 per cent lower than on the previous one⁵.

First the first time, neither age nor education emerge as significant factors, though age falls just short of significant positive association with score on this question, and education falls just short of significant negative association.

Lack of suggestions received from unions again emerges as significantly associated with lower score on this question. Firms which cited competitive pressure as a reason for introducing changes had a significantly higher score on this question, perhaps again illustrating how commercial criteria may be the driving force behind the institution of more participative arrangements.

Though the incidence of management/worker liaison channels which might be seen as bypassing traditional management/union routes has not shown significant association with scores on other attitudinal questions, it has a significant positive

⁵ This apparently perverse result is accounted for largely by 3 respondents who, while they agreed that the unions were competent for involvement at the evaluation stage, strongly disagreed that they had improved in this regard.

association with score on this question. Though ostensibly paradoxical (ie, increased willingness to involve unions in strategic decision making while circumventing their normal role) this might indicate that such new channels are not in fact inimical to either traditional union activity or to its extension to new areas.

Aggregate Competency Score

Table 24 below gives the aggregate percentage score of Questions 7, 9, 11 and 13 combined⁶. This gives managements' overall assessment of the competence of the trade unions to participate in the technical aspects of the process of change.

Table 24.

Strongly Negative	Negative	Uncertain	Positive	Strongly Positive
18%	32%	26%	24%	0%

This presentation shows about one quarter of the sample indicating a positive assessment of union competence in this area, with the rest either uncertain or negative in their assessment.

Table 25 shows the results of the same procedure applied to questions 8, 10, 12 and 14. This measures managements' assessment of the degree to which union technical competence

⁶ Possible scores range from 4, representing the lowest assessment in all questions, to 20, representing the highest. No cases recorded the highest possible score.

has improved during the past five years.

Table 25.

Strongly Negative	Negative	Uncertain	Positive	Strongly Positive
14%	20%	29%	37%	0%

The result here is more positive, though still predominantly uncertain or negative, with 63% choosing the lower three options. Again, no case recorded the maximum possible score. Clearly, in the most practical dimension, management appraisal of union competence for involvement in higher order decision making is still at a modest level.

Q15. The trade unions are primarily concerned with the short-term interests of their members.

Table 26.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
15%	51%	5%	26%	3%

The traditional spectrum of union concerns has tended to be on issues of immediate concern to members though, of course, matters such as pay levels and job security are vital to their long term interests as well. The aforementioned growth of competitive pressures, however, has forced unions to include in their negotiating calculus the possible effect of concessions won, or management demands resisted, on company/plant viability and thus employment levels. This question attempts a simple measure of how far management

considers that operational/competitive criteria have been adopted by unions.

The response pattern to Question 15 shows a somewhat bi-modal distribution, though the overall result is strongly positive, with 66% disagreeing with the proposition (the form of the question in this case produced an opposite direction for coding of responses). The most distinctive result here is the low level of uncertainty; clearly those involved in the assessment had a firm opinion on their workforce's characteristics in this dimension.

The average age variable, for once, fell well short of a significant association with score on this question. And, again in contrast to previous findings, average educational level recorded a positive correlation with score on this question, albeit one which was significant only at the 10% level. When faced with such an apparently contradictory pattern of findings with regard to these variables, however, it is difficult to attempt an explanation.

The proportion of the production workforce unionised, which had slightly negative correlations with several other attitudinal measures, showed a higher negative correlation with score on this question, albeit, again, one which was significant only at the 10% level.

Q16. The trade unions are increasingly concerned with the longer- term interests of their members.

Table 27.

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
5%	23%	28%	39%	5%

The counterpart to Question 15, we would expect to see a strongly positive pattern here if new attitudes were seen as being adopted by union representatives.

Surprisingly, the response pattern to Question 16 is less positive than for Question 15, with only 44% indicating the two more favourable options. In contrast to Question 15, however, uncertainty has returned to more levels more typical of the response pattern as a whole.

There are fewer significant associations between structural variables and score on this question. Those found, however, are somewhat different from those associated with other questions. Companies reporting need for increased profitability as a reason for introducing change had a significantly higher score on this question, possibly indicating that commercial considerations were weighing more heavily in trade unionists calculations.

Companies employing special briefing sessions as a means of consultation with the unions had a significantly higher score

on this question, while those reporting the use of works councils had a significantly lower score. This might indicate that the newer, more *ad hoc* method of briefing sessions had greater success in transmitting commercial values than the more traditional works council, which can sometimes be characterised by inter-union rivalry.

Companies reporting deleterious effects of change on employment levels had a significantly higher score on this question, possibly indicating that unions were more likely to adopt commercial considerations as an imperative where employment levels had been threatened in the past.

Overall the somewhat conflicting pattern of replies to questions 15 and 16 suggests a higher degree of uncertainty on the part of managers than is apparent from their actual replies. On the one hand, managers do not portray the unions as predominantly concerned with the short-term interests of their members; on the other, they are not as convinced that they are really concerned with their longer term ones.

Q17. I would regard suggestions from the trade union representatives on the following matters as:

Table 28.

	Very Un-Welcome	Un-Welcome	Un-certain	Welcome	Very Welcome
Corp. Strategy	10%	15%	28%	39%	3%
Market. Strategy	3%	16%	28%	46%	5%
Product Dev.	3%	8%	13%	59%	13%
Quality Control	3%	5%	5%	46%	36%
Other 1	0%	0%	0%	7%	7%
Other 2	0%	0%	0%	4%	4%
Agg. Score	3%	5%	21%	51%	21%

NB: Percentages quoted above are adjusted for non-respondents (missing cases) except in the cases of *Other 1* and *Other 2*, where the percentages indicate the actual percentage of the sample volunteering other categories (see below). The computation of the aggregate score takes the score in the number of categories in which a response is offered and expresses it as a percentage of the possible score for this number of categories (high scores in one question may therefore compensate for low scores in another). The resulting scores are then grouped and ranked in 5 equal categories.

The subjects on which respondents **volunteered** that they would be receptive to suggestions were *Increasing Productivity, Employee Involvement, Process Improvements, Cost Reduction, Problem Reduction, Industrial Relations, Reducing Labour Costs, Safety, Plant Competitiveness, Work Study, Production Planning.*

One respondent noted that any suggestions would be welcome if "well motivated and designed to improve company performance", indicating, perhaps, that s/he would not automatically view suggestions emanating from the union side as consistent with these goals.

Union willingness to register commercial requirements and to adopt corporate welfare as a goal consistent with the welfare of their members is useless in furthering their participation in higher-order aspects of decision-making unless matched by receptivity on the part of management to any positive input they may wish to make. The responses to this question effectively contain management appraisal of **their own receptivity to union suggestions**, and thus incorporate no automatic check as to their validity.

The receptivity measure was the only aggregate tested for association with the individual structural variables. Few significant associations were found. As might be expected, receptivity to union suggestions was significantly lower where the unions in the firm did not adopt a common position regarding change. It was also found that those companies utilising Project Groups as a consultation mechanism had a higher score, possibly indicating that such groups differ from other possible arrangements, *inter alia*, in being designed to elicit such suggestions.

Overall Aggregate Score - DSCORE

The first 16 questions in Section D, as set out above, measure management attitudes toward trade unions in all of the dimensions relevant to this study⁷. Possible scores range from 16 to 80, when replies for questions 1 to D16 are summed. The aggregate measure DSCORE converts these to an overall score, expressed a percentage of the possible score

⁷ Question D17 records the respondent's assessment of his/her own companies receptivity to suggestions from the trade unions.

for each case, when non-response on any individual question has been allowed for (eg, someone answering all questions would have their score expressed as a percentage of 80; someone answering all but one would have their score expressed as a percentage of 75). The percentages are then grouped into five equal intervals.

Though crude, DSCORE is the ultimate measure on which the basic hypothesis of this enquiry is assessed. The hypothesis,

that there are positive indications of a fundamental shift in trade union attitudes and aptitudes which are indicative of a new orientation in industrial relations (as measured by management assessments)

would be supported by any significant tendency away from the unfavourable end of the spectrum toward the favourable end. In terms of the DSCORE measure, this would require an overall (ie, average) score for the sample which exceeds the lowest two-fifths of the distribution (ie, 1 and 2, corresponding to "Highly Negative" and "Negative" and is found either in the intermediate one-fifth range (making the decision indeterminate) or in the upper two-fifths range (ie, 4 and 5, corresponding to "Positive" and "Highly Positive". The distribution of the DSCOREs from the sample is set out below.

Table 29.

Range	Strongly Negative (0-19%)	Negative (20-39%)	Un-certain (40-59%)	Positive (60-79%)	Strongly Positive (80-100)
% of Sample	0%	0%	39%	54%	7%

Minimum Score: 43%

Average: 63%

Maximum Score: 93%

SD: 11.5

With 61% of the distribution of scores in the two most favourable categories, we are able to say that the sample data offer some support for the hypothesis as stated above. However, with an intermediate group accounting for 39% there is also a large element of uncertainty. Nevertheless, the average score of the sample, at 63%, means that it is centred in the lower end of the positive range - **implying an acceptance of the hypothesis**⁸. It must be noted, however, that a positive weighting is given to this score by replies to questions 1 to 6, 15 and 16. These deal with more 'nebulous' aspects of the management/union relationship (eg, trust, willingness to confide, etc). In the more 'practical' sections of the appraisal (ie, questions 7 to 14, which ask more specific questions regarding willingness to **involve** unions in designated aspects of change) there is a less positive assessment. The management attitude might therefore be portrayed as ambivalent.

(It is recognised, of course, that the approach adopted above implicitly accords an equal weighting to each of the sixteen factors covered in Section D of the questionnaire - which, as suggested in the preceding paragraph, may not be appropriate).

⁸ As noted in the the section on Methodology, however, the nature of the data and the size of the sample preclude the kind of hypothesis test which would be needed to attach a meaningful level of probability to this conclusion.

As would be expected, the aggregate DSCORE measure shows a pattern of associations similar to those of the component scores outlined above. Average age of workforce is significantly associated with higher DSCORE. Union initial degree of enthusiasm for changes is also positively associated with it.

As with many of the component scores, the proportion unionised shows a negative but insignificant association with DSCORE.

The decision location also shows a significant positive association; lowest for decisions taken in Ireland, next highest for decisions taken jointly with HQ, and highest for decisions taken at HQ.

Firms reporting problems with the attitude of individual trade union representatives have a significantly lower DSCORE, as do those reporting no suggestions made by trade unions.

Firms who have installed new machinery have a significantly higher DSCORE, as do those who report need to remain abreast of competitors as a reason for introducing changes.

Section II

The relationships which have a bearing upon the basic thrust of our hypothesis (ie, between the structural variables of Sections A, B and C and the attitudinal measures of Section D) are examined in Section I of this Chapter. However, in view of the large number of relationships between variables within the data set, it is proposed to carry out some further (essentially speculative) tests between these. It is acknowledged that the theoretical underpinnings of the statistical tests involved do not accord with this approach (which is sometimes referred to as "data-mining"). However, in view of the fact that the process under study is at such an early stage in its development, it is considered that there is justification for some such "exploratory" work.

In this Section, then, we will continue the analysis by examining the relationships between the structural variables themselves.

New Technologies/New Working Methods

The introduction of **Automated materials handling/assembly**, reported by 61% of the sample, showed a significant negative association with respondents assessment of improvements in union competence for involvement in the evaluation of changes made. This may suggest that unions are seen as lacking the expertise for assessment of more modern, automated methods. Introduction of these methods was negatively associated with risk of closure suggesting, perhaps, that such machinery is

not introduced where real danger of closure exists, and perhaps also offering an explanation as to why new machinery in general is so welcomed by the workforce (ie, being taken as solid evidence of managements commitment to the operation).

Automated materials handling/assembly is also associated with common approaches being adopted by the unions and with willingness by management to share confidential information with them. This, in turn is probably associated with the finding of a significant correlation between this type of new investment and a perception of increasing receptivity to arguments based on competitiveness criteria.

Computerised Inspection and Testing was also significantly association with increased willingness to share confidential information with trade union representatives. On specific modes of involvement, however, this variable showed positive association with the incidence of Information Only being supplied to workforce representatives, with a negative association with Consultation. The variable was positively associated with increasing score on the overall aggregate measure, DSCORE and with higher union initial enthusiasm for proposed changes.

Cell based manufacturing is positively correlated with computerised inspection and testing. It is also positively correlated with increased willingness to share confidential

information with unions. This, indeed, would seem to be a necessity for the successful operation of cells. As might be expected, it is also positively associated with the incidence of Joint Decision Making. It is negatively associated with the lack of suggestions from the trade unions (ie, on matters such as product innovation, marketing strategy etc) indicating, perhaps, that work cells do show some tendency to generate suggestions from workers on matters outside their traditional remit. Surprisingly, however, it shows a negative association with increasing union enthusiasm for change. This may suggest that the idea is not received well initially by unions, however successful the implementation of this method subsequently turns out to be. The fact though that incidence of cell based manufacturing shows a negative association with increasing long term orientation by unions suggests that it does not automatically produce a re-orientation in attitudes by workers.

World Class Manufacturing (WCM) has a negative association with union initial attitude toward change suggesting, again, that proposals for radical change are still not well received by the trade unions. The positive correlation between WCM and the incidence of changes having to be abandoned after implementation also suggests that such difficulties persist in the longer term. On the other hand, WCM shows a positive association with management willingness to share confidential information with trade union representatives, suggesting that

it does help to build up some degree of more cooperative relationship.

Decision Making Location

The questionnaire offered three choices for this variable (with respect to where decisions are taken on the implementation of new methods), 'Decision made Here', 'Decision made jointly with HQ' and 'Decision made at HQ'. One of the least expected results from the findings on the attitudinal questions was the consistently higher scores achieved by firms taking their decisions either at HQ or jointly with HQ, rather than at their Irish location (and, as there was only one Irish firm, this variable applied to almost all of the sample). Analysis of the data showed two possible reasons for this finding. On the one hand, firms taking decisions locally showed a higher incidence of problems with the attitude of individual union representatives, perhaps indicating that the devolution of decision-making to remote locations (in whole or in part) left less scope at local level for what were perhaps basically personality clashes. This would be supported by the finding that firms taking decisions locally had a significantly greater degree of abandonment after implementation due to union opposition.

The incidence of **decision-making at local (ie, Irish) level** showed a negative association with increased competence by unions for involvement in planning of changes. It also shows

a negative correlation with increased receptivity to arguments based on competitive criteria. It is also negatively associated with competence on the part of unions for involvement in the implementation of change, and with improvements in this competence. Association with the overall DSCORE is also negative. Also unfavourably, it shows a positive association with the incidence of reports of problems with the attitude of specific union representatives. And decisions-taking here was associated with the abandonment of changes after implementation. All of these results suggest, perhaps surprisingly, that locally-run divisions of foreign firms do not have favourable industrial relations environments and are not experiencing improvements in the dimensions relevant to this study.

The incidence of **decisions taken at HQ** showed a negative correlation with average educational level of workforce, and a positive correlation with mass production, suggesting that these companies tended toward a specific mode of production with the type of workforce found (see above) to be associated with this. This decision location also showed a positive association with the use of 'Information Only' as the only worker involvement in the process of change. In addition, decision-making at HQ was positively associated with the incidence of abandonment of proposals for change prior to implementation. There is a negative association between decision-taking at HQ and the use of consultation with workers on the implementation of change. Nevertheless,

decision-taking at HQ showed a positive association with increased score on the aggregate DSCORE measure.

The incidence of **joint decision making between the Irish operation and the foreign HQ** showed a positive association with improved receptivity to arguments based on competitive criteria, and with lack of problems with the attitude of specific union representatives. It was also positively associated with both willingness and increased willingness to involve union representatives in the planning process. Joint decisions-making was negatively associated with both abandonment of changes prior and after implementation. Overall, therefore, it appears associated with a relatively favourable industrial relations environment. However, it still showed a positive association with management assessment that union were primarily concerned with the short-term interests of their members.

Mode of Production - Batch or Customised

While 46% of the sample reported either that there had been a move away from mass production toward batch or customised production or that such a move was currently in progress, analysis of the data did not support the expected finding that batch and customised production methods would be associated with more innovative patterns of work organisation. Indeed, the opposite was the case. Firms using batch production showed a tendency to involve workers in the process of change up to the level of consultation, but

no significant relationships emerged between batch or customised methods and salient aspects of the new forms of work organisation such as cell-based manufacturing, world class manufacturing or higher-order channels of communication between management and the workforce such as Post-Evaluation or Joint Decision Making.

Use of batch production showed a negative association with age of workforce, though this was significant only at the 8% level. There was a significant positive association with average educational level of workforce, suggesting that more educated workers were sought for the more demanding operations involved in this type of production. These findings, though, do suggest a younger and better educated workforce being utilised in this type of production.

The use of batch production was significantly associated with need to improve product quality and with changes in job definitions. Nevertheless, despite the potential for dispute offered by such changes, it was also significantly associated with less incidence of abandonment of changes, both before and after implementation.

Similarly, firms using **customised production** were characterised by a more highly educated workforce. They tended also, though, to be less highly unionised and to make use of lower-order methods of union involvement. They also showed a significant tendency to utilise Project/Steering

Groups as their favoured method of worker consultation. Such firms showed a strong association with citation of 'need to avoid closure' as a reason for introducing change.

Mass Production

Companies using mass production had a significantly higher average age of workforce. This may suggest either that companies select older workers for the generally more repetitive tasks associated with mass production, or that older workers gravitate towards this type of work. Conversely, average education level of workforce shows a significant negative correlation with mass production, suggesting that less educated workers are sought for this type of production or, again, that they seek out such employment.

There was a positive association between mass production and proportion of the production workforce unionised, though this was significant only at the 9% level. There was also a significant association with the incidence of abandonment of changes prior to implementation due to union opposition, and with negative effect of changes on job definitions.

Like batch and customised production, mass production was not significantly associated with any higher-order union involvement methods, the only significant association being with consultation. Such companies, however, did have a significant association with the use of Information

Agreements as a mode of consultation. These are a somewhat more traditional approach, though not as inflexible as the formal productivity agreement.

Workforce Size Change

The data showed that a tendency for workforce size to decrease over the last five years was significantly associated with the taking of decisions at HQ rather than locally or jointly. This may suggest that managers operating at a greater geographical remove might be more prepared to see necessary adjustments fall on employment levels than on other possible targets. Nevertheless, companies where the workforce had declined showed a significantly greater receptivity to union suggestions than others.

The fact that companies where workforce size had increased showed a significantly higher average educational level of workforce may indicate either that such companies were more successful or that the more successful companies were more likely to recruit such workers.

New Machinery

The survey showed that 87% of the respondents had installed new machinery as part of recent changes made, while 13% had not. Our expectation was that installation of new machinery would be associated with more positive findings, as the act of new investment by management would in itself generate confidence regarding the future of the plant/firm, and thus

elicit a greater degree of cooperation on the part of the workforce with associated changes in work practices.

The findings on the attitudinal questions were broadly consistent with expectations, with new machinery associated with higher score on several questions, and especially those dealing with union technical competence and with improvements in this, and also with receptivity, and increased receptivity, by unions to arguments based on commercial criteria. As such, this factor showed the widest range of significant positive associations with structural variables of any tested.

When tested against other structural variables, the installation of new machinery was also significantly associated with greater union involvement and also with specific new forms of work organisation such as Cell Based Manufacturing, World Class Manufacturing and Just in Time sourcing. Interestingly, it also showed a significant negative association with the incidence of problems with the attitude of individual union representatives.

In contrast to these uniformly positive findings, however, there is no evidence from the data that changes involving the installation of new machinery elicit any more positive *initial* reaction from union representatives.

Proportion Unionised

The proportion of the production workforce unionised is a crucial variable in deciding whether union influence is contributing to a more cooperative and participative industrial relations regime. Since the questionnaire provides a ranked scale, the results here are correlated with the ranked replies to the attitudinal questions in Section D. Unfortunately only one significant relationship emerged here, though that is a vital one. The proportion of the production force unionised showed a significant negative correlation with increased awareness by unions of the competitive needs of the company. This conflicts with what we would expect to observe if a new industrial relations climate was really emerging. In addition, though the coefficients are in no case significant, the relationships with most of the management attitudes toward unions expressed in Section D (ie, 12 out of the 16) were negative, as was the relationship with degree of initial union enthusiasm for change (though, again, not significantly so). The relationship between proportion unionised and union receptivity to arguments based on commercial criteria was negative, though significant only at the 8 per cent level.

It is interesting also to note that the proportion unionised was positively (though not significantly) correlated with average age of workforce. More interesting is that finding that it is negatively, and significantly, correlated with average educational level of workforce. This points to union

activity being concentrated among older and less educated workers, though, as other findings indicate, this does not imply lesser degrees of cooperation and awareness on the part of such groups.

When the sample data is recoded to divide the sample into groups of low (ie, 0-60%) and high (ie, 60-100%) in terms of union density, some significant results emerged in Mann Whitney tests. In each case, these pointed to significantly lower management assessment of union competence for involvement in areas such as the implementation, monitoring and evaluation of change, and a lesser degree of long-term orientation among the group with the higher proportion unionised. Clearly, this suggests a reluctance by management to allow greater involvement by more highly unionised workforces, indicating that they are still mistrustful of union motivations.

Union Involvement

The questionnaire instanced 5 levels of union involvement in the process of change, ranging from none, to information only, consultation, post-evaluation and joint decision-making. This produced a 5 point ranked scale which was related, through rank correlation, with scores on the attitudinal measures in Section D. Again, there were few significant findings, but the degree of involvement by worker representatives was found to be significantly associated with increasing awareness of the competitive requirements of the

firm. If this is indicative of a causal relationship (and, on the face of it one would expect the direction of causality to run from involvement to awareness, though causality in the opposite direction is not implausible) it is a finding which favours extension of more participative arrangements.

As would be expected, higher degrees of involvement also showed a significant association with management willingness to involve trade unions in the implementation of change, though other expected significant relationships between degree of involvement and positive management assessments of union attitudes and aptitudes were lacking.

The relationship between degree of involvement and level of union density showed a negative correlation. This was significant only at the ten per cent level, but was still enough to cast doubt on whether managements feel comfortable with closely involving workers representatives in the process of change where there is a strong union presence.

Initial Union Attitude

The questionnaire invited respondents to categorise the initial attitude of trade union representatives toward proposals for change. These categories ranged from opposition, through scepticism and neutrality to enthusiasm.

The pattern of rankings obtained was correlated against replies on the attitudinal questions of Section D.

The relationship between initial attitude and age level of workforce was negative (ie, older workers less enthusiastic). With average educational level it was positive (ie, more educated workers more enthusiastic). In both cases, however, the relationships which emerged would have been significant only at the 7 per cent level.

Contrary to expectations, the relationship between initial union attitude and level of union involvement in the process of change was negative (though significant only at the 7 per cent level). This may suggest some degree of greater union resistance to change in cases where they have a greater degree of involvement in the process. If true, this would be a negative factor in the development of greater union involvement in decision making.

The initial trade union attitude toward proposals for change is not, of course, the final determinant of the degree to which union cooperation will ultimately be forthcoming. In a survey of whether changes are taking place in overall industrial relations parameters, however, it may be a significant 'leading' indicator of whether underlying attitudes have really altered on the union side.

Both age and education show the expected directions of correlation with union attitude (as measured from Opposition to Enthusiasm). The relationship with average age of workforce is negative, though significant only at the 7% level (ie, older workers less enthusiastic). Conversely, the relationship with average educational level is positive, but again significant only at the 7% level. Nevertheless the picture, so far as it is possible to discern one, is of greater enthusiasm among younger and better educated workers.

In the case of involvement by unions in the process of change, however, union initial enthusiasm emerges as negatively related to degree of involvement (ie, ranked from none to Joint Decision Making) - though again significant only at the 7% level. Obviously, this would again have negative implications for the viability of more participative arrangements.

As would be expected, initial degree of union enthusiasm shows a significant negative relationship with problems in attitude on the part of individual union representatives. It also showed the expected significant negative associations with abandonment of changes both before and after implementation.

Union degree of initial enthusiasm also showed significant negative associations with changes likely to cause unfavourable effects for workers on both overtime and pay

levels. Interestingly, there was no corresponding negative association with disadvantageous effects on employment, suggesting that unions may react more negatively to changes which are seen as likely to lower earnings than ones seen as likely to damage employment levels.

The data also showed that abandonment of changes (both before and after implementation) was most likely where the changes impacted on pay levels or overtime regimes (the latter, of course, also linked to pay received). They were, again, less likely to be resisted by the unions where the negative effects were upon employment or responsibility levels. The combination of these findings clearly suggests that union concerns are weighted toward the welfare of current members rather than those who are lost through redundancy, or potential members lost through failure of the firm to recruit. Obviously, if true, this has implications for national employment policy.

Industrial Relations Manager

Fifty-six per cent of respondents reported that they employed a specialist industrial relations manager. In the context of this study, what is of relevance is whether such individuals, whether they are cast in the traditional Personnel function or the newer Human Resources model (and the format of the study does not seek to make a distinction between the role or effects of these two models) show any tendency to association with new forms of work organisation

or the transmission to union representatives of management attitudes and approaches. In this respect, the presence or absence of an IR manager did not emerge as a significant factor in associations with score on the attitudinal questions.

One peculiar finding was that there was a significant association between presence of an IR manager and lack of a common position on proposed changes being adopted by the unions. While this finding is difficult to explain, and may of course be spurious, it may indicate that the process of interaction with an IR professional itself generates tensions between unions, and that the reported lack of a common position on *change* is in fact a reflection of their differing reaction to the *manager* him/herself. This, of course, is highly speculative.

When it came to the deleterious effects of changes on union members' conditions, such impacts on job definitions were more common in firms employing industrial relations managers. It may, indeed, be the case that IR managers are more likely to be employed where such changes require to be implemented.

Direct Management Liaison With Employees

The institution, concomitant with other changes in work organisation, of channels of management/employee communication which could be seen as bypassing traditional management/union channels was an important variable in

determining whether such changes are really altering the industrial relations regime. Fifty-four percent of the sample reported the introduction of such channels.

The data showed that those firms with IR managers were significantly more likely to make use of such 'bypassing'-type arrangements. If, as seems plausible, this is in turn associated with the finding that firms utilising 'bypass' arrangements were less likely to experience having to abandon changes after implementation due to union opposition (a negative relationship significant at the 7% level was found here), the implications could indeed be quite negative for trade unions. In this scenario, the role of the IR manager might be evolving specifically toward the circumvention of the unions' role, with the aim of obviating their rejection of new methods through direct persuasion of the employees involved. Such a speculation is supported by the fact that the incidence of 'bypass' arrangements was significantly associated with deleterious effects of change on employment levels, overtime levels and job responsibility. The second of these has itself emerged as a special cause of union concern, and thus potential opposition, making it more likely that management would make a special effort to win worker acceptance when changes impacting on it were proposed.

Impetus for Change

The questionnaire offered respondents a list of several possible reasons for introducing the changes which were, or are, being made. These were:

- ♦ Need to improve profitability
- ♦ Need to reduce labour costs
- ♦ Need to remain abreast of competitors
- ♦ Introduction of new products
- ♦ Need to improve product quality
- ♦ To avoid closure

Respondents were invited to indicate additional/alternative reasons.

Need to improve profitability was cited by 69% of respondents. It showed a significant positive association with abandonment of changes prior to implementation because of union opposition. It was also significantly associated with the making of decisions locally or jointly rather than at HQ.

This factor was also positively associated with higher score on longer-term orientation by unions. It did not, however, show any of the expected associations with awareness of or receptivity to arguments based on commercial criteria.

Need to reduce labour costs was cited as a reason by 64% of respondents. It showed a significant positive association with the introduction of World Class Manufacturing.

Need to remain abreast of competitors was cited by 77% of respondents. The only significant association with structural variables was with the incidence of suggestions being made by trade union representatives, though there was no correspondingly significant association with higher receptivity to suggestions by unions on the part of management. There was, however, a significant association between this factor and the incidence of the use of surveys of the firms production workforce by management, suggesting that management, at least, found it a motivating factor in seeking greater input to decision making from the workforce.

Introduction of new products was cited by 67% of respondents. The variable was significantly associated with an improvement in union awareness of competitive requirements and with union receptivity to arguments based on competitive requirements. In this respect, the introduction of new products may have a role similar to installation of new machinery in convincing union representatives of the commitment of management to the continuance of the operation.

Introduction of new products also emerged as more likely in companies with a lower average age of workforce. There was also a significant association with an improved assessment

of union competence to become involved in the evaluation of changes. In contrast to the direction of some other findings, there was a significant association between this variable and higher proportion of workforce unionised.

Need to improve product quality was cited by 69% of respondents. It was significantly associated with increased willingness to share confidential information with trade union representatives, and with higher average educational level of workforce.

To avoid closure was cited by 18% of the sample. Perhaps surprisingly, it showed a significant association with willingness by management to share confidential information with trade union representatives. It was also positively associated with increased management assessment of union competence to become involved with the implementation of change. It did not, however, show any of the expected 'galvanising' effects on union awareness of, or receptivity to, commercial requirements, or on their initial attitude to proposed changes or propensity to make suggestions to management.

No other reasons for introducing change were volunteered by respondents.

Abandonment of Changes

The questionnaire asks two separate questions on whether any changes have had to be abandoned, either before or after implementation, due to the opposition of the trade unions. Clearly, for any company, having to abandon changes considered necessary due to opposition from the trade unions seems likely to hinder the development of any more participative relationship with them. The data, however, seem to suggest that this may not be the case.

As would be expected, the incidence of changes having to be abandoned either before or after implementation had a significant negative association with degree of union initial enthusiasm. Less expected, however, is the finding that incidence of abandonment both before and after implementation had a significant positive association with higher-order forms of union participation. Indeed, the highest form (ie, Joint Decision Making) had significant positive associations with abandonment of changes both before and after implementation. It is also notable that two of the most innovative new forms of work organisation, World Class Manufacturing and Just In Time sourcing, also show a significant positive association with abandonment prior to implementation (WCM is also positively associated with abandonment after implementation). This combination of findings may indicate that the involvement of trade union representatives in higher-order decision making leads to them exploiting their position to oppose changes which they see

as having negative consequences for their members. If this were the sum total of their use of such arrangements, it might be expected that participative arrangements would become less favoured by management. It might also be, however, that the effective union opposition revealed by these responses indicates a more positive process, whereby unions involved at higher levels of decision making are advising on the operational desirability of proposed or implemented changes, and opposing them on occasion for these reasons, instead of, or as well as, for the immediate welfare of their members. The fact that 54% of the sample agreed that union involvement in the process of change was useful in highlighting practical considerations offers some support for this latter view. The form of the questionnaire does not permit a resolution of this question, but it will be appropriate to explore it further in the case studies.

Age Profile of Production Workforce

As noted in the section on the attitudinal questions, this variable shows more positive associations than had been expected. Nevertheless, the data also show a significant negative association between average age of workforce and the incidence of the introduction of new products, suggesting that companies with such workforces tend to be less innovative with respect to product lines. There is also a negative significant association between age profile and union initial attitude, and with the incidence of suggestions

made by unions. Both of these findings accord with the expectation of a more conservative, less innovative older workforce.

Educational Profile of Production Workforce

As noted in Chapter 5, the pattern of results for the influence of the average educational level of the workforce on the attitudinal questions was surprisingly negative. Nevertheless, it showed a significant positive association with increased union enthusiasm for change. Notwithstanding this, however, it was negatively associated with incidence of Joint Decision Making and with World Class Manufacturing, leading us to speculate that professional groups within the firms decision-making structure are especially reluctant to share higher-level functions with a more educated workforce who might ultimately seek to pre-empt some of these functions.

Perhaps worryingly for the unions, average educational level was significantly negatively associated with proportion of the workforce unionised.

On a more positive note, though, average education level was negatively associated with abandonment of changes prior to implementation.

Gender Composition of Workforce

The conceptual framework underlying this study did not incorporate any theoretical or other presuppositions regarding the effect of the gender composition of the workforce on the role of the trade unions in the process of change. Nevertheless, the questionnaire did include a question on this and the results were tested against the attitudinal measures. The results were interesting, with a significant positive correlation between the proportion of males in the workforce and the incidence of suggestions on operational matters made by trade unions. In keeping with the pattern of other findings, there was also a significant positive association between the proportion of males in the workforce and the level of union involvement in the decision making process. However, tests for association with the three modes of production (ie, mass, batch and customised) showed no significant difference in gender composition of workforce.

Internal Surveys

Seventy per cent of respondents reported having carried out surveys of their production workforce. This variable showed a significant positive association with the incidence of "direct management liaison with employees or employee groups which could have been seen as 'bypassing traditional union/management channels". Although its exact significance is not completely clear, this finding is of interest in our context. The taking up of surveys of staff attitudes by

management may seem innocuous, or even to be welcomed in the context of more participative arrangements, but clearly managers see it as something which union representatives may resent as being an attempt to circumvent their role. This finding is supported by the finding that such surveys were significantly less common in more highly unionised workplace.

That such surveys may have a positive role to play in building cooperation, despite union reservations, is suggested by the finding of a significant association between incidence of internal surveys and willingness by management to share confidential information with union representatives. An indication of the role of the Industrial Relations specialist is also shown by their association with this form of staff liaison.

Unemployment Rate

As previously outlined, the rate of unemployment (as proxied by growth in the total numbers unemployed over the past five years) was included in the data set as the only exogenous variable. It had been expected that this might show significant associations with variables such as union awareness of and/or receptivity to arguments based on the competitive needs of the company - illustrating to what degree the 'overall economic climate' was reflected at 'micro' level in the attitudes of union representatives. However, no significant relationships were found.

EU Statute

The data showed that 15 per cent of the firms surveyed were incorporated under EU Statute. This type of firm was of interest in that it suggested organisation in more than one EU member state, and thus greater likelihood to be covered by the Works Council directive. However, as a variable, it did not show significant associations with either other structural variables or with scores on the attitudinal measures.

Section III

Interpretation and Questions for Further Examination

The picture which emerges from the survey of industrial relations developments in the Instrument Engineering sector is mixed, as indeed was suggested by the recent ICTU report which forms the starting point for this study. Certainly there is evidence of pervasive change, in both organisational and technical terms. And this change is accompanied in some instances by higher-order forms of union involvement. There is also evidence of the widespread existence of new forms of management/worker liaison which may tend to circumvent the traditional union role. We found nothing to suggest, however, that such liaison methods were being employed by management as a means of displacing trade unionism, nor that unions were resisting them on that basis.

With respect to the basic subject of the study, the survey found an overall management appraisal both of union competence for involvement in decision making and attitude toward competitive needs which exceeded our expectations. This finding is certainly at variance with the picture contained in the media reportage of high-profile industrial disputes centring on the implementation of change. Indeed it serves as a useful reminder that such disputes, important as they are, do not reflect constructive and progressive industrial relations regimes which are obviously present in many enterprises.

At the same time, however, while the management assessment of union suitability for greater involvement in guiding the process of change has certainly increased, it does not appear to have reached the point where more participative arrangements are becoming widespread in the sector chosen for

our study (and thus, by implication, further afield, and especially in the high-technology sector). Just as importantly, data from the cases where higher participation by unions has been realised does not show clear evidence of changes being implemented in a smoother fashion in such firms. The negative pattern of associations obtained between Section D scores and the level of union density also points either to the persistence of traditional management suspicions or to unfavourable attitudes formed from negative experiences of the effects of union activity, with the disquieting implication (for trade unionists as much as management) that higher degrees of unionisation may have an "insulating" effect for workers and their representatives from the realities of competitive requirements. Furthermore, the apparently perverse results regarding the educational level of the workforce may indicate that wholly new areas of friction can arise as a direct result of the implementation of more participative arrangements.

There is also pervasive evidence of the persistence of traditional union concerns and attitudes. The uniformly positive results associated with fixed capital investment (ie, in new machinery) suggests that, for the present at least, management actions speak louder than words - especially when these words may be perceived by unions as over-liberally spiced with dubious management 'buzz-phrases'⁹, redolent with promises of a new age yet potentially indicative of a fundamentally anti-union agenda.

⁹ The recent Packard dispute in Dublin produced a disparaging comment by a shop steward on the professed management aim of getting employees to 'work smarter'. He saw this simply as a code for 'work harder for no extra pay'.

representatives. While the legislation applies only to companies employing over 1000 workers within the EU (excluding the UK), and having at least 150 employees in at least two member states, it is quite possible that many of the companies in this sector would be covered by it. And, while the survey data failed to throw any light on this matter, it will be appropriate, in the context of the case studies, to investigate whether this effect has in fact been picked up in the responses to the questionnaire, giving rise to the aforementioned 'anomalous' results on the effect of decision making location.

Overall then, the picture which emerges from our survey, while favourable, is either of a relatively favourable adaptation of the existing system of industrial relations or of an early (or at best intermediate) stage on the progression to some new form of relationship. As noted in the survey findings, management are noticeably more reticent in their evaluation of union suitability for involvement in practical stages of the process of change (eg, planning etc) than in overall awareness of the competitive environment. This would suggest that, if unions are serious about seeking a higher-order role¹⁰, they must look to equipping their representatives and officials with competencies in these areas, in addition to convincing management that they would then be willing to use them wholly in the interests of the firm. With these findings in mind therefore, a separate schedule of questions was prepared for use in a series of direct interviews with respondents to the survey. Several 'open-ended' questions are also included in this with a view to prompting respondents to indicate areas of special concern to themselves.

¹⁰This question will be addressed in the case studies.

The survey data also indicate that the unions show evidence of continuing dedication to traditional concerns, notably with regard to pay and overtime rates. This no doubt reflects the continued priority accorded to these matters by workers, yet they are perhaps not always consistent with other goals such as employment maintenance or creation. And the question of the identity between *union* aims and orientations and those expressed by their *members* and *local officials* emerges, in comments offered by respondents along with the completed questionnaires, as a key area for further enquiry. From some of the comments made, there is clearly a perception by some managers that, while union officials are conscious of the competitive environment and for the need for change, members remain committed to resisting this, either on principle or until an adequate recompense can be extracted from management. There was also resentment expressed that unions remained committed to long established principles of 'fairness', such as the 'Last In First Out' rule when redundancies had to be implemented - even where these militate, in managements' view, against optimal efficiency.

As noted in Sections 1 and II, the incidence of more favourable findings in companies where decision making is located at HQ rather than locally, or jointly with the local operation, was initially seen as perverse, unless accounted for by local personality clashes. It has been pointed out of late, however, (Hourihan, 1995) that the vast majority of the companies based in Ireland which will be affected by the European Works Councils legislation are subsidiaries of multinationals. These companies may well prefer to bargain with Europe-wide trade union bodies, on which Irish trade unions will be represented. In such a case, negotiations might be centralised away from Ireland, effectively sidelining both Irish management and Irish local trade union

Chapter Seven: Case Studies

The six companies which were chosen as targets for case studies were selected with a view to clarifying some of the results obtained in the sample survey. We sought, therefore, to select a set of companies which differed in matters such as type of production, decision making location, workforce characteristics and general industrial relations environment. Our choice, however, was constrained by the willingness of companies to participate in the study, as well as the exigencies of arranging interviews at mutually suitable times and locations¹. The net effect of these factors was to produce a selection which was significantly inclined toward the more 'positive' end of the industrial relations spectrum, as indeed might have been expected.

All of the companies selected for case studies were part of the original sample.

In addition an interview was conducted with a senior trade union source, to whom the points arising in both the survey and the company case studies were put for a trade union response. This is not intended to provide a comprehensive degree of 'balance' to the study, but rather to reinforce the point already made about its essentially one-sided nature, and to give another perspective to the results obtained.

¹ These considerations resulted in 3 firms from Galway and 3 from Dublin being selected for case study.

Interview

The interview format itself was brief, largely in order to encourage target companies to participate. (It was found that a promise to complete the encounter within 'half and hour' elicited greater enthusiasm from potential respondents than longer suggested time frames).

The interview was conducted by the researcher with the company official responsible for industrial relations, at his office. The interview followed the format of a set schedule, though the intention was to allow the interviewee to raise any matters pertinent to the study in his reply. This results in some difference in the coverage of issues between the different interviews.

Within the constraint of the limited time-frame, the interview was, as far as possible, conversational. This means that the salient points (for our purposes) have often had to be consolidated from the transcribed text². However, where appropriate, quotations from the respondent's actual response are also given. The names of the respondents have been changed in order to safeguard their confidentiality. Company names are not provided, again in order to safeguard confidentiality³ (several respondents were eager to know which other companies were participating).

² The interviewer used a notepad and small tape recorder during the interviews. The sound quality of the recording, however, was often bad, forcing a reliance on notes.

³ My supervisor, Mr Devine, is aware of their identities.

Case Study A: Company Profile

This European company employs mass production techniques but there is currently a move toward batch production. Decisions on introduction of new methods are taken jointly with Head Quarters. The company has introduced Automated Materials Handling, Computerised Production Control and Cell Based Manufacturing in the last five years. This involved the introduction of new machinery.

The company cited all of the reasons suggested for the introduction of the new methods (ref. question A9 on Questionnaire).

Between 70 and 80 per cent of the production workforce of 471 is educated to Secondary/Vocational level. There are significant numbers in all age groups, though three quarters are below 45 years of age.

The workforce is unionised (80-100%) and an industrial relations manager is employed. Workforce involvement in change is limited to consultation, but this is reported as having been useful in highlighting practical considerations. The initial union attitude toward proposals for change is described as "scepticism to neutral" for the craft groups and "neutral to enthusiasm" for other production workers.

Five unions operate within the plant. The company reported differing union approaches to change and problems with the

attitude of specific union representative(s). The unions had made suggestions on cost reducing strategies.

The company saw the unions as increasingly aware of arguments based on the competitive needs of the company, though they were uncertain as to whether the unions were receptive to these. They gave positive appraisals of union competence for involvement in all stages of the process of change. However, they portrayed themselves as unreceptive to suggestions by the unions on matters of corporate strategy, marketing strategy and product development. They were receptive to suggestions on cost reduction and quality control.

Interview with Senior Personnel Manager, Mr Doran

Outlook

On the general question of how he foresaw the future role of the union within the company Mr Doran was confident, on the basis of the union/management relationship over the previous ten years, that the picture would be one of increased cooperation and union involvement in higher order decision making, progressing toward Joint Decision Making. There was no practical possibility of the elimination of the union from the company.

"In the past ten years the role of the unions has changed, the unions have changed and the management has

changed. We have moved away from the culture of confrontation."

He agreed that, ideally, he would prefer a single company union as a partner in this partnership style of relationship. In practice, however, he regarded a Works Council as the best that was achievable.

Workforce

The production workforce is divided broadly into older and younger groupings, with the older workers having spent, on average, some two or three years less at school. He did not consider that there was very much difference between the groups in terms of willingness to adopt company goals, and therefore his willingness to involve them in decision making was not affected by age or educational variables. He did note, however, that the older workers, most of whom had been with the company for many years, were a steadying influence on the younger ones, especially in times of difficulty.

"The longer-established workers tend to be more mature and more committed. They give a lead to the younger ones. The less committed ones tend to leave anyway in bad times."

He found union HQ staff, especially in SIPTU, very aware of issues affecting the company. Their local representatives were also well informed, due to the quality of backup

resources available to them through union HQ. At shop floor level, however, he thought that the workers were bemused by the pace of change (ie, having to introduce further new methods before the last set of changes had been fully assimilated). All levels though were fully aware of the potential impact of international competitive developments. The plant competes for work with others in the same company abroad, and workers and their representatives visit these and attend seminars conducted by the company.

Mr Doran noted that, given the cost structure of the Irish plant relative to both established competitors (ie, such as Sweden and Portugal) and emergent ones (such as Slovenia and the Czech Republic) Ireland would not be regarded as a viable location for new investment of this type. The existing plant was maintained because it was profitable, but the other locations were now more profitable.

Industrial Relations Regime

The most desirable change in the industrial relations environment which he could wish to see accepted by the unions would be a re-appraisal by the craft unions of their role. He felt that they were unsure of their role in an environment where both their skills and their traditional training methods (ie apprenticeships) were under threat.

"The craft unions are unsure of their role and how to respond to current developments.. They need direction.

They tend to look backward toward the old ways, apprenticeships as the only way of learning skills. We would prefer them to look forward."

Mr Doran observed that this attitude on the part of the craft unions tempted him to circumvent them entirely by hiring and training technically qualified college leavers who did not owe any allegiance to the craft workers group or to their unions.

On the question of whether the unions were really interested in taking greater responsibility for decision making, he felt that the full time officials were interested. Among local officials, he estimated that about 10 per cent were interested in trying to develop this role; the rest would prefer to continue with the traditional mode, with perhaps another 10 per cent preferring a confrontational style of relationship.

Decision Making

Company HQ make strategic decisions but usually leave implementation to local management. He agreed that decisions made by HQ could be sold to the workforce as imperatives on this basis (ie, handed down from above), but that this did not happen often. It had happened when the company introduced outsourcing and during a re-structuring which involved lay-offs worldwide.

He did not think that attempts by the union side to build Joint Decision Making initiatives into centralised pay

agreements (such as the PCW) would advance the process. The company was, however, covered by the EU Works Council directive, and had no problems about implementing this.

Communications with Workforce

The company utilised several communication channels with both workforce and unions, in contrast to earlier practice where every communication had been channelled through union representatives. He did not find that this caused any problem with the unions; the system had been refined over the last ten years and both management and union representatives were now more skilled in communications. SIPTU had played a role in improving the quality of shop stewards. He saw this as the way of the future and believed that only companies adopting such approaches would survive.

Team briefings are held monthly at plant level. Once a year the company hosts a Euro Forum where worker representatives from around the companies European operation met with management representatives. He cited one exchange which had gone as follows:

Union Rep: "I just don't understand how you can say that its fair when I have worked for the company for twenty years and you can turn around then and say you're moving my job to another plant in another country."

Management Rep: "I agree that it's not fair. But it's business."

The industrial relations environment in Company 1 was among the most favourable of those studied. However, Mr Doran stated that the future of the plant seems threatened in the longer term by simple cost factors; pressures which no amount of industrial relations harmony or workplace flexibility could negate.

Case Study B - Company Profile

This American company employs mainly batch production techniques and there is currently a further move toward this type of production. Decisions on introduction of new methods are taken at local level. The company has introduced a very wide range of new technologies and working methods in the last five years, including computerised methods, JIT and World Class Manufacturing. The changes involved the introduction of new machinery.

The company cited several reasons for the introduction of the new methods, including need to reduce labour costs, the introduction of new products, need to remain abreast of competitors and need to improve product quality. It did not cite 'avoidance of closure' as a reason.

The production workforce of 463 is educated predominantly to Secondary/Vocational level, though there is a full spread from Primary to University. The age structure shows the workforce to be young, with 66 per cent being between 26 and 35, but there is a full spread of age groups represented.

The workforce is moderately unionised (40-60%) and an industrial relations manager is employed. The AEEU and the NEEU are the only two unions represented at the plant. Union involvement in the implementation of change was reported at the level of consultation and post-evaluation, though the initial union attitude to change was reported as neutral.

The company reported a common approach to change by the two unions, and no problems with the attitude of individual union representatives. It also reported the introduction of liaison methods which bypassed traditional union/management channels. The unions have made suggestions on product development.

The company saw the unions as aware of and receptive to arguments based on the competitive needs of the company. They gave positive appraisals of union competence for involvement in the implementation and monitoring of changes but were uncertain as to their competence in the higher-order stages of planning and evaluation. They portrayed themselves as receptive to suggestions by the unions on all of the matters indicated in the questionnaire, with the exception of product development (ie, the one area where the unions had made suggestions!).⁴

⁴ The company representative who was interviewed for the case study was not the same individual who completed the questionnaire, and was not able to account for this interesting discrepancy.

Interview with Mr Flynn, Industrial Relations Manager

Overview

On the general question of how he foresaw the future role of the union within the company Mr Flynn considered that the likelihood is for a broadly unchanged picture for the immediate future.

"The company is interested in increased cooperation with the unions, but the unions have not 'cottoned on' to this yet".

He personally favoured this path as it would make life easier for all concerned, as well as being more efficient than the usual pattern of automatic union resistance to management proposals.

In Mr Flynn's opinion, the trade unions are currently trying to determine their future direction; some of them have come around to the view that their aims are identical, or at least compatible, with those of the company. But this view is not yet clearly in the ascendent. There is, though, a underlying logic to a greater coincidence of views:

"When it comes down to it, the unions want what the company wants. They (ie, the unions) are a bit like a business, and they have to do what will keep their membership levels up."

Workforce

Mr Flynn did not consider that the better educated workers are more willing to adopt company goals. He did, however, see some evidence that younger workers tend to identify more with these than older ones.

On the question of the awareness of the workforce of the competitive environment, he believed that they are aware of developments such as the rise of new low cost production centres.

"They do know about these, but the information is of limited value. It has to be constantly explained to them. Otherwise it loses its effect."

In this regard, he instanced the constant media reportage of competitiveness-related issues as being far more of an educative influence on the workforce than any information coming from their trade unions.

On the general question of what change(s) he would ideally like to see in the industrial relations environment, Mr Flynn stated that he would greatly prefer a more direct process, involving fewer formalities, when the company wished to introduce changes.

As with other respondents, this firm is part of an international group, and there is competition between different plants for work and investment from the parent body.

Union Attitude to Involvement

On the question of whether the unions were genuinely interested in access to higher-order decision making (with concomitant responsibility) Mr Flynn stated;

"They (ie, the unions) want access to (company) information. They believe that this will give them financial benefits for their members."

Mr Flynn also questioned whether the unions had any real understanding of the nature of a private company, and in particular the role of its shareholders (with whom, of course, the unions had no direct contact).

From the point of view of the ordinary members, he believed that 'union' involvement in the decision making process would make little difference.

"They are going to be told what to do anyway; it doesn't make much difference to them at the end of the day who tells them to do it."

Role of Company HQ

Mr Flynn offered his own interpretation of the role of local management vis a vis proposals/directions from company HQ. He saw their (ie, local management's) role to some extent as being one of mediation. While it was imperative for the local operation to adopt methods which had proved themselves

elsewhere, they had to be adapted according to what was acceptable locally. However, local management was often put in the position of having to agree with HQ to implement measures (and assure them that these were acceptable to the local union) before they had actually obtained the necessary agreement from those unions.

Social Partnership and Participation

On the question of the possible inclusion of measures to promote participation at company level in any possible future centralised agreement, Mr Flynn characterised union strategy as follows;

"During the national agreements the ICTU have failed to gain real increases for their members. So now they are trying this new approach (ie, seeking partnership at firm level)."

On the question of Works Councils (as per the EU Directive) Mr Flynn accepted that they were coming. But he stressed again that the unions had shown little interest to date in the idea. He also mentioned, as did another interviewee, the lack of interest by the unions in involvement in the recently created Pensions structures.

Case Study C - Company Profile

This American company employs batch production techniques and there has been no move toward any other type of production. Decisions on the introduction of new methods are taken jointly with head quarters. The company has introduced World Class Manufacturing within the last five years. This involved the introduction of new machinery.

The company cited several reasons for the introduction of the new methods, including need to reduce labour costs, need to improve profitability, need to remain abreast of competitors and need to improve product quality.

The production workforce (number not provided) is educated predominantly to Secondary/Vocational and Technical level, though with 34% having reached University level. None are below Secondary/Vocational level. Ninety per cent of the workforce are below 35 years of age.

The workforce is unionised (40-60%) and an Employee Relations Manager is employed. SIPTU is the only union represented at the plant. Workers representatives are involved in the process of change up to the level of Joint Decision Making, and their involvement is characterised as leading to more rapid completion of the process, and as being useful in highlighting practical considerations. Worker initial attitude toward proposals for change is characterised as "enthusiastic".

The company reported not having had to abandon changes either prior to or after implementation due to union opposition. Neither did it report the introduction of liaison methods which bypassed traditional union/management channels. The unions had never made suggestions on operational matters.

The company saw the unions as aware of, and receptive to arguments based on, the competitive needs of the company. They gave negative appraisals of union competence for involvement in planning of the process of change. They portrayed themselves as receptive to suggestions by the unions on marketing strategy and quality control, but not on corporate strategy or product development.

Interview with Mr Soames, Employee Relations Manager

Overview

On the general question of how he foresaw the future role of the union within the company Mr Soames indicated that the increased sophistication and educational level of the workforce would make closer cooperation essential.

"The more educated a workforce becomes the more able it is to command the respect of management. Greater participation is necessary in order that management might more effectively harness their (ie, the workforces) capabilities".

In Mr Soames' opinion, the process of closer involvement by trade unions in company decision-making is a direct consequence of the greater 'democratisation' of society. He believed that all workplace relationships will in the future be characterised by less need for authoritarian relationships.

Mr Soames believed that the alternative of the non-union model is limited in what it can achieve, especially in established companies (ie, as opposed to 'green field' sites). In any case, though, he believed that a less aggressive relationship between unions and management reduced whatever benefits might be realisable from a non-union environment.

Workforce

As the company employed no lowly-educated production workers, Mr Soames could not comment on educational level as a variable in the willingness of workers to adopt company goals.

On the matter of how far the workforce and their representatives are aware of international competitive developments which might affect their jobs, Mr Soames stated:

They are aware of these, though their awareness tends to be superficial. It takes the occasional 'tragedy' to

bring home to them how relevant such developments are to the security of their own employment".

With regard to the respective roles of union HQ staff and local representatives, he felt that the role of national agreements over the last several years had robbed the HQ staff, in particular, of much of their normal role. This, perhaps, was one reason why they now sought greater involvement in decision-making within the firm. In this area, however, his own experience led him to question how serious they were about acquiring a new role which might bring with it additional responsibilities. In dealing with the unions on the matter of the 1990 Pensions Act, for example, he had found that neither union HQ staff nor local representatives had shown any interest in becoming trustees under the Act (a position which would give them some responsibility for the interests of their members in a vital area, yet which would also require the assimilation by them of detailed and difficult provisions). Overall, he believed that radical changes such as those proposed (ie, by the unions on Joint Decision Making, etc) amounted to requirements for change in people's outlook, rather than simply in institutional arrangements. This could not be accomplished overnight.

Decision Making

In general, Mr Soames found it more difficult to 'sell' proposals emanating from company HQ to the workforce than

those generated by local management. But there had not been an instance of any proposal being put to the workforce for acceptance solely on the basis that it was an overriding imperative handed down from HQ. The workforce were aware that the plant effectively competed for work and investment with other plants within the group, though the company had not utilised methods such as 'demonstration' visits to plants abroad by union representatives. (Neither had the unions requested any such visits).

Social Partnership/EU Aspects

Mr Soames was not opposed in principle to the inclusion of some form of 'partnership' clause in a future national agreement (ie, successor to PCW). His sole criterion was whether it would truly enhance partnership. He did note, though, that it could cause 'difficulties'; for example, if drafted around the format of the traditional union/management relationship, it could act to exclude non-unionised staff, whose participation he would be equally anxious to ensure.

Mr Soames was unsure whether his company was covered by the EU Works Council directive.

Finally, Mr Soames noted that, while the Irish plant remained competitive within the group, the cost margin between it and comparable plants was narrowing, raising questions about longer-term cost competitiveness.

Case Study D - Company Profile

This American company employs batch production techniques. Decisions on introduction of new methods are taken jointly with headquarters. The company has introduced World Class Manufacturing within the last five years, as well as a wide range of computer-based manufacturing techniques. Just-in-Time sourcing has also been introduced. The changes involved the introduction of new machinery.

The company cited several reasons for the introduction of the new methods, including need to reduce labour costs, need to remain abreast of competitors and need to improve product quality. It did not cite 'avoidance of closure' as a reason.

Forty-five per cent of the production workforce is educated to University level, with 50 per cent educated to Secondary/Vocational level, though there is a full spread from Primary to University. The age structure shows the workforce to be young, with 60 per cent being below 35, and a further 20 per cent between 36 and 45, but there is a full spread of age groups represented.

The workforce is moderately unionised (40-60%) and an industrial relations manager is employed. SIPTU is the only union represented at the plant. Union involvement in the implementation of change was reported at the level of consultation. The initial union attitude to proposals for change was reported as 'open'.

The company reported no problems with the attitude of individual union representatives. It also reported the introduction of liaison methods which bypassed traditional union/management channels. The unions had made no suggestions on operational matters.

The company saw the unions as aware of and receptive to arguments based on the competitive needs of the company. They gave positive appraisals of union competence for involvement in planning and evaluation of changes but were uncertain as to their competence in the stages of implementation and monitoring.

They were uncertain as to whether they would welcome suggestions from the unions on strategic matters, but would welcome suggestions on product development and quality control.

Interview with Mr Burke, Personnel Manager

Overview

Mr Burke believed that future relationships with the unions are likely to be characterised by greater cooperation and increased involvement, and this evolution is driven by competitive criteria. As he put it

"This company views its workforce as a 'competitive weapon'. The fullest utilisation of that weapon is vital to company success. In this sense, union participation

is required as it is essential to the survival of the company".

Mr Burke could, however, see some benefit to a non-union plant in a 'green field' situation, where its absence might enable all conditions to be negotiated *ab initio* with a view to optimal efficiency of the plant. In either case, however, (ie, union or non-union house) successful *inter-personal relationships* were essential to productive efficiency.

Workforce

Mr Burke considered that younger workers were more suited to the requirements of modern production methods.

"They are definitely more adaptable and more development orientated⁵. They are also more willing to work as part of a team".

He found workers and their representatives to be aware of international competitive developments, but needed to achieve a greater awareness of how these might be related to their own job security. He conceded that the company needed to do more in this respect.

⁵ In the sense of being willing to undertake further training and skills-development.

One single change which he considered might improve the industrial relations environment would be the development of widespread share ownership by the workforce.

"Stock ownership brings a stake in the company. This makes it easier to identify with company welfare than simply being paid an hourly rate".

Union Attitudes

He believed that the trade union side were sincere in seeking greater involvement, though he questioned whether they really understood the implications of this. He saw them as being at the beginning of a developmental process

"They are searching for solutions. The problems are becoming clearer to them. But they have a long way to go".

The local representatives, in particular, found it hard to advance beyond the stage of seeing the introduction of new methods as a chance to gain extra payments from management. This was a particular problem for the company.

Role of Company HQ

The company competes with sister plants worldwide and must not be seen to oppose changes which have been implemented elsewhere. He found that the unions understood this situation.

Social Partnership and Participation

In the absence of any specific proposals on participation which might be included in a future central agreement, Mr Burke did not feel able to offer an opinion on the idea.

Case Study E - Company Profile

This Dutch company employs mass production techniques but there is currently a move toward batch production. Decisions on introduction of new methods are taken at local level. The company has introduced Automated Materials Handling and Computerised Production Control, as well as the "Qualitas" system (ie, Total Quality Management plus Safety) in the last five years. This involved the introduction of new machinery.

The company cited one reason for the introduction of the new methods, ie the need to improve profitability.

The production workforce of 58 is educated predominantly to Primary or Secondary/Vocational (unfinished) level. Just over half are in the age range 36 to 55.

The workforce is unionised (80-100%) but no industrial relations manager is employed. Workforce involvement in change is limited to consultation, but this is reported as having been useful in highlighting practical considerations.

Five unions operate within the plant. The company reported differing union approaches to change and problems with the attitude of one union representative. It also reported the introduction of liaison methods which bypassed traditional union/management channels. The unions had never made suggestions on operational matters.

The company saw the unions as increasingly aware of, and receptive to arguments based on, the competitive needs of the company, though they still gave a negative appraisal of union awareness of the companies' competitive needs. They gave negative appraisals of union competence for involvement in all stages of the process of change. They also depicted the unions as being concerned principally with the short-term interests of their members. Nevertheless, they portrayed themselves as receptive to suggestions by the unions on all of the matters indicated in the questionnaire.

Interview with Mr Casey, Production Manager

Mr Casey stated that he regarded a union presence as both inevitable and useful.

"Even a militant union can be worthwhile if it is willing to be constructive, and especially if it is able to sell any deal to its members. In any case it is always easier to negotiate with a group than with a fragmented workforce."

Mr Casey agreed that the unions often recognised the need for change, but were rarely willing to make any sacrifices when these were required of their members.

Workforce

Mr Casey did not perceive any significant differences in attitude toward company goals on the part of younger and/or

more educated workers. If anything, he found the older workforce more loyal. The younger and more educated workers were more flexible, and more willing to move on. Younger workers, however, could often be quite hard-working.

Industrial Relations

Mr Casey found significant differences in attitude between local union representatives and full-time officials. But he did not feel that either of these were especially interested in seeking input into strategic decision-making if this would also give them greater responsibility for decisions made.

On the question of whether union representatives were aware of the changes in the competitive environment, Mr Casey stated:

"Yes they are aware (of these developments) but they feel that they can change this, especially the craft unions. They think that union strength or political influence can save them."

The single change that he would most like to see in the industrial relations environment would be the removal (or the significant reduction) of demarcations. Mr Casey noted that some of these had been 'worked out' but believes that there is still far to go on this issue.

He was doubtful whether most union representatives were really interested in taking on a greater role in decision making within firms, believing this aim to be mainly confined to the higher echelons within the unions (though certain local representatives also aspired to this for reasons of personal ambition). In any case, he believed, as long as any union involvement (such as worker-directors) did not involve trade unionists taking the kind of personal financial risks assumed by shareholders, unions could never really share in the direction of companies.

Broadly, Mr Casey considered that effective decision making was always based on shop floor realities, but he did not see matters such as company strategy ever being decided there. He also noted that, should a future central agreement include mandatory provisions on union participation, management would be able, with some effort, to 'negatise' these.

Case Study F - Company Profile

This German company employs customised production techniques and there has been no move toward any other type of production. Decisions on introduction of new methods are taken at local level. The company has introduced World Class Manufacturing within the last five years. This did not involve the introduction of any new machinery.

The company cited several reasons for the introduction of new methods, including need to reduce labour costs, the introduction of new products and the avoidance of closure.

The production workforce of 139 is educated predominantly to Secondary/Vocational and Technical level, though there is a full spread from Primary to University. No details of age structure were supplied.

The workforce is unionised (60-80%) and an industrial relations manager is employed. However, the company reported in the questionnaire that relations with the unions had broken down in 1992. This would be consistent with their replies that union initial responses to proposals for change were hostile and that their involvement had slowed the process of implementation. The changes were such as to produce negative effects on union members conditions in all of the dimensions mentioned in the questionnaire.

The company reported differing union approaches to change and problems with the attitude of individual union representatives. It also reported the introduction of liaison methods which bypassed traditional union/management channels. The unions had never made suggestions on operational matters.

The company saw the unions as aware of, but not receptive to arguments based on, the competitive needs of the company. They gave negative appraisals of union competence for involvement in all stages of the process of change. Nevertheless, they portrayed themselves as receptive to suggestions by the unions on all of the matters indicated in the questionnaire.

In a note submitted along with their completed questionnaire, the company effectively invited a case study to be done on the industrial relations experience in their company.

Interview with Mr Sheerin, Personnel Manager

As indicated above, the situation in Company F differs from that in any of the others selected for case study, and the differences made some of the scheduled questions less applicable to their situation.

Outlook

On the question of the likely evolution of the relationship between the unions⁶ and the company, Mr Sheerin considered that the present situation was likely to continue. Following disagreement with the unions on the introduction of new methods in 1990 (the unions had threatened a strike) the company had secured the agreement of its workforce to exclude union head office staff from future negotiations. As Mr Sheerin depicted it, the situation at present is that the unions are content as long as the workforce remain in membership (and paying their subscriptions) while the company has built up sufficient trust with the workforce for there to be no pressure from them to re-involve the unions in negotiations.

On the question of the participation of the workforce in decision-making within the firm, Mr Sheerin stated:

"We view workforce involvement necessity as a necessity. Management do not have all the answers; we can provide the leadership but we need the expertise and the wholehearted cooperation of the workforce."

Mr Sheerin stressed, however, that participative arrangements would not involve either full time union officials or local representatives. The company did not deal with worker

⁶ The respondent was not willing to identify the unions representing the workforce at his plant.

representatives but called meetings of the entire (ie, 240 strong) plant workforce whenever matters such as the introduction of new methods needed to be discussed. He did not see the current situation as amounting even to the operation of a 'company union' or staff association. The principle of representation had effectively been abandoned.

Role of Company HQ

Mr Sheerin was emphatic that decisions made by company HQ alone were accepted more easily by the workers than those viewed as emanating from local management. He declined to speculate on why this might be so.

Workforce

Mr Sheerin did not find significant differences between older and younger workers in terms of how far they were willing to adopt company goals. He found both older and younger workers to be very adaptable.

Due to a concerted briefing effort by the company, the workers were very aware of international competitive developments and changing customer requirements as well as more general matters such as the role of the shareholders within the company. The company also kept them fully briefed on matters such as relative cost structures between plants within the group⁷, with briefing sessions being held at least once a fortnight.

⁷ Mr Sheerin instanced a recent success for the Irish operation, where the Puerto Rico plant had been closed and its work moved to Ireland due to superior performance here.

The greatest single objective Mr Sheerin identified as being required in the industrial relations system at the plant was for the resolution of all problems within the company (ie, without any involvement of third parties). With the exclusion of the union he considered that this has been largely achieved.

On the question of union involvement in decision making, Mr Sheerin was certain that this had never been a real issue for the unions.

"The unions have no real interest in this. It's only power that they want. Power for the full-time officials. They do not call for real *employee* involvement. In my opinion the whole issue is *passé*."

Not surprisingly, he was strongly opposed to any provision in a future central agreement for mandatory union participation in the decision making process of the firm.

"This would constitute unwarranted interference. It would also give the unions the leverage they need to force their way back into the company."

Interview with Mr Phil Flynn, General Secretary of IMPACT (and ex-President of ICTU)

Mr Flynn agreed that unions had not always sought the degree of participation in company decision making which might have been available (and in the interests of their members). He acknowledged that the Pensions and the Health and Safety areas were particular examples of this (though, as he pointed out, most people tend to neglect pension arrangements until later than really advisable). His view on participation was that

"Every parameter should be pushed out as far as you can push it."

He was adamant that the unions had pressed hard from the earliest centralised agreements for participative arrangements to be required at company level, and indeed that no issue had been more forcibly contested during the negotiations on the Programme for Competitiveness and Work. The employers, however, had not been willing to include anything more than 'aspirational' measures.

On the question of specific areas in which unions might seek greater involvement, Mr Flynn agreed that "Management is Management" and that theirs would always be the final decision making role with respect to the highest order matters. But the unions sought a new method of information sharing, in both directions. The current method was to give a minimum of

information to the workers except in times of crisis, during which time it was mixed with difficult decisions which undermined its credibility in the eyes of the workforce. Informing unions at a much earlier stage in the process, when there was still a chance to shape the outcome, would both avoid conflict and enable them to contribute constructively to production decisions and to the way in which the workforce is structured. Mr Flynn stated that he had often listened to local representatives deliver informed critiques of their companies' product range and marketing strategy, but that these views would not have been welcomed by management (whatever they might say to a research in a sample survey). Mr Flynn argued that workers sought quality of life both at home and at work, and at work this meant being allowed to "bring their brains to work", but this was not effectively encouraged in many employments at present. In consequence, a lot of valuable "know how" was effectively locked away and inaccessible to the company. However, he also acknowledged that this aspiration was not always effectively articulated by employee representatives.

On the question of to what extent unions sought political intervention to save them from the consequences of adverse market developments, Mr Flynn agreed that it was a problem but blamed politicians for often intervening in such matters and thereby raising expectations which could not be fulfilled. This problem was less than in the past, but was still characterised by occasional unhelpful interventions.

On the question of share ownership, suggested by employers as means of building greater employee identification with companies, Mr Flynn pointed out that, despite both budgetary measures intended to facilitate this, and union suggestions on occasion, employers had very rarely been willing to offer these in practice. He also accepted that it was desirable that union officials would have a greater understanding of business organisation matters (such as the role of the shareholders), though he added that workers did not need such knowledge to contribute useful ideas to help in company decision making.

On the matter of the suggestions in "Managing Change" for an augmented role for the Labour Court and Labour Relations Commission, Mr Flynn did not accept that this represented a retreat from the ideal of strategic partnership. It was essential, he argued, to have a means of resolving such questions quickly and with finality. One of the principal problems of late was that it was taking too long for important questions involving proposed changes to be resolved. Nevertheless, the proposals in "Managing Change" were essentially for discussion, and even the form of their presentation in that document was slightly ambiguous.

Conclusion

As can readily be seen, the situation portrayed by the managers interviewed is broadly favourable to an ideal of union/worker participation, without showing great enthusiasm for more radical variants of this. As Mr Flynn's reply demonstrates, however, there are two sides to this question, and assertions by managers that this or that change (such as share options) are needed before real participation can be realised, cannot always be taken at face value.

Rather than attempting a separate analysis of these results here, we shall incorporate references to the findings at the case study stage in our overall conclusions, as set forth in Chapter 8.

Chapter Eight - Conclusions

Over one hundred years ago Karl Marx framed his (admittedly scanty) portrayal of a future society in which the contradictions of the capitalist order had been finally resolved. Central to this vision was a portrayal of a mode of production in which the demarcation between action and decision making was apparently to have been wholly removed. His prescribed route toward this resolution lay, of course, through the single and irrevocable act of social revolution, and some of his followers still see this as the only way to progress toward this goal. For them there is no such thing as real and lasting progress within the parameters of the existing system. Within the trade union movement, however, there has always been, through force of circumstance if for no other reason, a tradition of incrementalism, coupled with a vision of total transformation (in something like the Marxian sense) underlying the slow progress of betterment in wages and conditions. In the past, as we have seen, this has sometimes looked to management experiments such as job enrichment and job enlargement to begin the break-out of working people from the lower-order confines reserved to them by modern production techniques, and especially that of mass production. Now some trade union strategists seem to have become focused on how the exigencies of the latest phase of industrialisation might be turned to the advantage of the workers. In this study, we have sought to examine whether one particular route to functional flexibility in the workplace (ie, through a new role for the trade unions) offers a route toward both greater

competitiveness of companies and the realisation of the human potential of their workers.

In our initial analysis we have contrasted the straightforward, if somewhat superficial, method of measuring 'competitiveness' through numerical measures of relative costs (ie, cost competitiveness). It has been conceded, however, that we lack any useful measure of the non-cost elements, and, for the purposes of this study, this means functional flexibility in the workplace.

An ideal indicator of workplace flexibility would capture wage earners' reactions to terms-of-trade losses (in their industrial sector and/or throughout the national economy), relative productivity changes and changes in labour market pressures. As noted in Chapter One, however, the prevailing measures of competitiveness, such as relative Unit Labour Costs, make no attempt to incorporate such considerations. Even the most wide-ranging compendium of competitiveness measures, the competitiveness report of the World Economic Forum, makes no attempt to weigh its numerous measures and reduce them to a common measure. Indeed, the conceptual problems in evaluating the relative weights of these would probably be insuperable. Nevertheless, as I have argued above, the importance of functional workforce flexibility in a changing competitive and technological environment cannot be ignored and, indeed, is receiving increasing attention.

In this study, we have focused on the part which trade unions may or may not have to play in the furtherance of this quality in Irish industry, as represented by our chosen industrial sector. Indeed, we believe that both the advancement of Ireland's international competitive position and the continued development (as opposed to stagnation and decline) of Ireland's trade union movement depend upon the unions reconciliation of their traditional concerns with the requirements imposed on firms by current market conditions. Our enquiry, then, has sought a management appraisal of the current situation, developments over the past few years, and the likely outlook. As noted, we recognise the inherently unbalanced nature of this approach but consider that it has value none the less. It is managers, after all, who will be required to cede some of their authority, and to cede it to their traditional rivals.

The overall picture which emerged from our sample survey was more encouraging than we had expected - given that we are predisposed toward harmony and cooperation in industrial relations rather than holding any brief for struggle, whether this is motivated by ideology or by simple acquisitiveness. The replies by our respondents to questions from Section D of the questionnaire showed a favourable evaluation by managers of union awareness of and receptivity to arguments based upon the competitiveness needs of the company. Just as importantly, there was an even more clear assessment that the unions had 'improved' in these dimensions over the past five

years. Perhaps as might have been expected though, the respondents replies to more specific questions (ie, on how far they were willing to involve the unions in strategic aspects of their decision making process) were less favourable. Again, however, there was clearly an increase over the period in question in their willingness to do so.

The fact that the survey results, by and large, failed to establish many significant associations between higher levels of cooperative behaviour and specific company and workforce characteristics is, of course, disappointing. Yet it is also consistent with the observation made by one source at the earliest stage in our investigation that the process of closer involvement by the unions and/or workforces in the process of the implementation of change was as yet sporadic, and not particularly associated with any specific type(s) of firm.

The case studies described in Chapter 7 were useful in 'fleshing out' aspects of management attitudes toward union proposals for greater involvement in the process of change. Firstly, it can be seen from them that the managers interviewed showed considerable acceptance of the idea of greater involvement by the workforce and their unions, though scepticism was expressed on some aspects of this. On the positive side, they saw this process being driven by commercial and technical necessity to get the most out of their workforce, and this meant their willing and active cooperation by them in making the most of the new technologies

now being installed. None expressed enthusiasm for a return to a more straightforwardly authoritarian management style, even though some clearly thought that this would remain the basis upon which any further structures would be erected.

Not surprisingly, perhaps, one respondent held that, while cooperation was to be encouraged regarding operational matters at shop-floor level, it would never extend to matters such as strategic decision making.

While the managers interviewed, then, then were relatively positive on the general idea of participation, they were considerably more sceptical on whether the unions were really serious in pursuing this to the extent that their own (ie, the unions) traditional role would be transformed. It was alleged that the whole idea was driven by officials in the higher echelons of the movement, and that these might be more interested in personal power and influence than in genuinely taking on a new role which could bring with it some uncomfortable responsibilities. Among the possibilities suggested was that union enthusiasm for this strategy reflected their sense of failure during the period of national pay agreements, with participation offering a route to power and information which could be used to bring benefits to their members.

In support of their scepticism, some respondents mentioned instances (such as that of implementation of the Pensions

legislation) where the unions had appeared to avoid taking on the type of responsibilities which they were ostensibly eager to assume. Furthermore, more than one respondent also expressed doubts as to whether union officials had a real understanding of the make-up of a private firm, and in particular the role of its shareholders. Without such an understanding, it was implied, unions had no real hope of involvement in strategic decision making functions.

From the viewpoint of the unions therefore, and specifically the central union bodies who have called for the type of participation which has been the main area of interest of this study, the prospects revealed by our enquiry seem quite favourable, though with some important qualifications. Contrary to what one might have expected, managers do not seem hostile to the idea of greater union involvement *per se*. Rather their opposition centres on perceived deficiencies in union outlook, and in the degree of sincerity on the part of the unions in seeking this role. They are also doubtful as to how far the idea of involvement has permeated the movement below the level of its senior officials. It should, therefore, be possible for the unions to undertake some course of action aimed, on the one hand, at persuading the employers that they are genuine in seeking this role and, on the other, at equipping their officials with the necessary technical and financial expertise with which to present themselves as credible partners. Furthermore, though, they would also have both to 'sell' the idea to their broader membership (and most

especially to the minority groups who feel themselves most threatened at the present time) and to undertake an ongoing education programme for members on the commercial and technological developments which necessitate such an approach.

From statements made recently, however, it would seem that the natural inclination of the union side is to seek to have such a role carved out for them by means of a provision in one of the centralised agreements involving themselves, the Government and the employers. And, while our respondents were not as overtly hostile to this proposal as might have been expected, remarks to the effect that such provisions can be 'negatised' at plant level should give the unions pause as to the efficacy of such an approach. We shall now examine some of the latest developments in the debate.

1995 ICTU Biennial Conference

The 1995 Biennial Conference faced, in Motion 19, a distillation of the work of an ICTU Review Group (ICTU, 1995). This was set up in October 1994 "to consider issues arising from company restructuring and its implications for trade unions". Motion 19 itself comprised 12 paragraphs, and the paragraphs and sub-sections of paragraphs which are salient for the purposes of this study are set out below, with commentary.

1. *All unions should be prepared for ongoing change, develop and expertise in the management of change and an understanding of the economic and other factors driving change.*

Clearly, this opens a positive and broad agenda for the union movement, which is specified more fully in paragraph 4.

4. *Unions should take a pro-active approach to change and be involved in all issues affecting the welfare of a company or organisation. To achieve this, the boundaries of traditional union involvement in the industrial relations arena should be shifted to include areas such as **production systems, investment policy and management structures**, areas up to now regarded as the sole prerogative of management.*

This paragraph attempts to 'nail the colours' of the union movement to the 'mast' of the most radical of the options for addressing change which were presented in "New Directions in Work Organisation". And, as my emboldened text indicates, it identifies those management functions which unions would have to appropriate at least in part to themselves. As indicated by our survey, however, managers, while they might be willing to accept some union suggestions on these matters, show reluctance to involve them in practical stages of higher-order decision making, such as planning and evaluation. (Management receptivity to union suggestions on higher-order functions such as corporate strategy and marketing was also noticeably lower than in areas such as product development or quality control. As noted earlier, it was also the case that only just over half of the companies surveyed reported that their unions had made suggestions on any matters.) Clearly, even if the ICTU Conference adopts this as policy, the unions have some way to go to make it operational.

5. *Where companies or organisations are not making the necessary arrangements to meet competitive threats, for example, training or retraining the workforce, investment in new technologies, developing more efficient production systems, then unions should take a lead in identifying what is necessary and demanding appropriate action by the employers.*

Once again, paragraph 5 makes bold suggestions regarding what unions might be competent to undertake within commercial organisations. Paragraph 6 makes an attempt to sketch in the type of preparation which unions might make to prepare for such a role, though it can be questioned whether the innovations mooted therein would be adequate. On the plus side, our survey was unequivocal in accepting that union competencies in all of the areas mentioned (in the questionnaire) had improved in the last five years.

6. *To enable them to acquire new skills and an understanding of business strategy, and accelerated programme of courses on New Forms of Work Organisation should be introduced for shop stewards and full-time officials. Also unions should develop an understanding of sectoral developments and be structured to influence those developments.*

Paragraph 9, however, reveals a temptation to rely on third parties to guarantee the new role which the unions are seeking for themselves.

9. *Congress and employer organisations should seek to conclude a Framework Agreement within which issues relating to change and company restructuring would be negotiated. Also, the Labour Relations Commission and the Labour Court should have available to them expertise in business strategy, production systems and related matters.*

Taken together with paragraph 6, the proposals in paragraph 9 suggest that ICTU is not sufficiently confident in its own capabilities to rely solely on upgrading the skills of its shop stewards and full-time officials. Behind this seemingly innocuous proposal, however, would seem to lie the blueprint for a State consultancy/mediation/policing function with respect to proposals for company reorganisations. As Mr Peter Cassells, General Secretary of ICTU, put it:

"The court and the LRC need to be given the resources to be able to *gauge the need for change accurately* (my italics) and give decisions that both sides know are based on the best information possible." (Yates, 1995c: 6)

The thrust of these suggestions, then, is that ICTU is looking to erect a further tier of industrial relations mediation machinery to deal with problems arising from the implementation of change within companies. This tier would consist of specialist functions within the LRC (or Labour Court). It must be seriously doubted whether either the Government, the employers, or the labour relations institutions cited would be willing to countenance such a development. Nevertheless, as paragraph 12 demonstrates, ICTU proposes to advance these suggestions in the next round of discussions on a centralised agreement with the Government and employers. As Mr Flynn has noted, however, (Chapter 7) even ICTU is as yet uncertain as to exactly which outcome it would prefer to see in this area.

12. *Congress should open discussions with Government and employer organisations on arrangements within which mandatory use of third party machinery, in processing issues of interest, could be introduced.*

The 'Managing Change' report was endorsed by the Conference, though the CWU General Secretary (and member of the Review Group) David Begg assured them that it was nothing more than a "broad framework" (Sheenan, 1995, 16). Nevertheless, it contains potentially radical suggestions. In particular, the introduction of a 'beefed-up', and indeed mandatory, third party arbitration into the process of change gives a considerably different slant to ICTU's prescription for the implementation of change within companies. In fact, it cannot be directly matched with any of the possible alternatives for union reaction to proposed changes set out in "New Directions in Work Organisation". This would seem to suggest a significant retreat from their early suggestions for some form of partnership between unions and management. Indeed, the implication of the italicised section of Mr Cassells statement would be that the augmented machinery would function, in part at least, as a kind of 'filtering' mechanism, disallowing management proposals for change which were not in some sense really 'necessary'. As such, it must represent a rejection of the apparent previous acceptance of the primacy of commercial objectives hinted at by ICTU, in favour of something much nearer to a 'planned' approach. It can be noted, though, that Mr Flynn's interpretation (Chapter 7) focuses more on its role in expediting change, which has taken too long to implement through existing channels.

It could, of course, be the case that this proposal arises from a realisation by ICTU that managers were simply not willing to involve them in any kind of real partnership; willing perhaps to welcome their help in 'selling' necessary changes to their workers, but unwilling to develop the process any further along the lines favoured by the union side. It might also be, however, that the change of approach reflected a realisation by ICTU that, outside of its own higher echelons, there was simply no appetite in the broader trade union movement for an approach so radically at variance with all that its ordinary members (and their local representatives) knew and believed in. This was certainly the belief of some of the managers who participated in our case studies.

It might also be, as is suggested by the outgoing President of ICTU, Mr Phil Flynn, that Mr Cassells remarks reveal an ongoing debate within ICTU itself (though Mr Cassells was highly supportive of Mr Flynn when the latter was subject to criticism from a TEEU delegate). In his opening remarks to the Conference, Mr Flynn called for trade unionists to face change within their own organisations, and depicted trade unionists as the "positive agents of change". Nevertheless, he also warned that the movement would not "slavishly follow the latest management fad", indicating again that the unions would continue to put down their markers whenever management proposed changes, under whatever rationale. (Yates, 1995b: 4)

On a more positive note, in Chapter 5 of "Managing Change", ICTU puts forward a reasoned analysis of the way in which change is currently implemented in businesses, the role of information in this process and ways in which the process might be facilitated and rendered less contentious. As it points out, change is too often implemented rapidly, in response to crisis situations and this, combined with the fact that workers have traditionally seen times of change as the best in which to wrest improvements from management, leads to an unfavourable outcome in many cases. Information also tends often only to be disseminated by management when it is trying to 'sell' new ideas to the workforce, and is thus perceived as biased. In these circumstances, there is little chance of the union side reaching a balanced appraisal of the strategic objectives underlying the proposed changes. In what is probably the most soundly-based proposal in the document, it calls for a continued process of confidence-building between unions and management in order to avoid such problems. Nevertheless, in an almost plaintive passage, it also reflects that "Not everything about current employment structures is bad and not all change is beneficial". (ICTU, 1995: 21-24)

In Chapter 6 of "Managing Change" we find one real indication that ICTU is seriously contemplating internal reform as a means of dealing with change came with the proposal for aggregate ballots. This proposal arose directly from their experience disputes such as that at TEAM, where the recalcitrance of one small group, armed with an effective veto

because of their autonomy, could jeopardise the viability of an enterprise, and thus the jobs of a far greater number of union members. This proposal produced a warning from Mr Michael O'Reilly of the ATGWU;

"Sometimes change doesn't apply equally to everyone and we don't want to see minorities oppressed by resolutions passed here." (Yates, 1995,6)

As Mr Lawless of the TEEPU put it, it was ironic that Congress was talking about 'partnership' while some trade union leaders were going on the national media criticising the behaviour of other trade unionists. In a reference to the proposal put to the conference for the use of mandatory arbitration he also offered a criticism of the attempts being made to forge a new policy toward change:

"We have always resisted management attempts to use shop stewards to police the workforce and we should be careful that Raglan Road isn't turned into Gestapo headquarters to whip the trade unions into line.

We must be careful that what we draw up are the policies of the future and not the terms of surrender." (Sheenan, 1995: 17)

Mr Mick O'Reilly of the ATGWU also detected a contradiction between the idea of 'partnership' and the creation of mandatory arbitration, which would be liable to be used against the union movement.

At this stage in the process then, at least so far as it has advanced in Ireland, the position may be depicted as follows.

Both sides (ie, management and unions) have made positive noises about concepts such as 'empowerment' and (mainly from the union side) 'partnership'. There may thus be thus be said to be some common area of agreement, though it would be rash to try to define it too precisely. Beyond a certain point, however, we encounter difficulties. Management questions union competence for and commitment to any closer relationship than they (ie the unions) currently have with managers. They (ie the managers) largely recognise the commercial and technological imperatives for devolving some higher-order decision making functions to workers and, perhaps, to their union representatives. But, almost as in the gender-related concept of the 'glass ceiling', there appears to be a point in the decision making process above which managers view worker/union involvement as inappropriate. To be fair though, Mr Flynn also acknowledges that there must remain a traditional management function at some level; the question comes down as to what level union participation can or should reach.

It must be noted again, though, that such findings may simply be reflective of a deficiency in the format of the study; as noted earlier, this leaves it free to managers to ascribe any failings to the union side. But it is surely reasonable to suppose, and it has been noted by other commentators, that managers could be expected to be reluctant to surrender their prerogatives to anyone, much less their traditional

antagonists whose motives they may genuinely suspect as being incompatible with the most efficient operation of the company.

As noted in Chapter One, many of the most fundamental issues underlying the debate on the future role of trade unions have been raised by Piore and Sabel. In a more recent article Sabel assesses the challenge facing them as follows;

"To survive and prosper in the new industrial system, unions will have to do three things simultaneously: secure material benefits for members or potential members, *solve a problem capitalists cannot solve on their own* (my italics), and chiefly by doing these things, win widespread support and approval from nonmembers." (Sabel, 1994: 23)

The italicised clause indicates the section of this task which the Irish trade union movement has implicitly set itself in it's aim to take an active role in the management of change within companies (though, most significantly, the unions themselves would probably define this part of the task more in terms of the ways in which they might help and protect their members rather than serve the interests of their employers). The replies and comments of some of my respondents indicate that such a role may well be open to them, but not necessarily that unions are viewed as essential in this regard, or as essential in anything beyond their traditional function. Many managers clearly believe that lower-order structures such as work teams and problem-solving groups will be adequate to mobilise the kind of cooperation they require of their workers in order to compete in the modern environment. In the period covered by this study, I do not believe, on the basis of my

own findings, that the unions have made any more than modest progress towards bringing the employers toward the union vision of such a future union role. Nevertheless, in a traditionalist and highly structured arena such as that of industrial relations, even that may yet prove to be a significant harbinger of more radical changes yet to come. Less the pace of change be underestimated, however, and thus the radicalism of the adjustments it may yet impose, it should be noted that further challenges to traditional employment forms and practices are already detectable. A small New York body entitled "Working Today", for example, now advertises its services on the basis of a premiss that both traditional employment patterns and traditional modes of employee representation are redundant. As they put it:

"We seek to provide representation for the individual employee that is portable throughout the individual's work history and does not depend on continuous employment with one employer." (Taylor, 1994: 12)

While once this type of individualist approach might have been dismissed as an American cultural-specific phenomena, the competitive trends underlying the changes which we have already witnessed may yet see it, or some further variant, presented as a challenge to the Irish trade union movement. It is still too early to say whether their response will be adequate.

Final Note

This research was undertaken in the period June 1993 to July 1995. This period coincided approximately with that between the ICTU Biennial Conferences of those years. The first of these saw the discussion on "New Directions in Work Organisation", the second the launch of "Managing Change..". The intervening period had been replete with high-profile industrial disputes, such as those at Team Aer Lingus, Packard Electric and Irish Steel, in which the issues being studied in this enquiry were central to bitter and protracted industrial relations problems. It is inevitable, then, that this enquiry has dealt with the a particular stage of the debate within the Irish trade union movement, while ideas are being floated and argued over, but before any synthesis is yet in sight.

Should the debate evolve in the future completely beyond the parameters set out in this study, the study may be treated as an historical footnote to the question of the proper role of the unions in an evolving industrial society. If, as is probably more likely, the traditional patterns of industrial relations broadly reassert themselves, the debate and the developments chronicled herein may be seen as yet another round in the cyclical pattern of progress adumbrated briefly in Appendix A.

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Appendix A

As has been alluded to in Chapter 1, the question of greater involvement by workers in decision-making within private firms is not a new one, and the proper role of trade unions in the process has been hotly disputed in the past. "Workers' Control" (Coates and Topham, 1970) offers a wide ranging selection of readings on the topic of workers' participation in industry and, more interestingly from our viewpoint, the reaction of conventional industrial relations practitioners to the notion. The editors' own view, however, reflects the more cynical among those trade unionists whom they quote. Such initiatives, in their view, amount to no more than 'employers placebos'. In their introductory chapter they state;

"Since it was discovered, during the industrial upheavals which affected every advanced power during the First World War, that there were advantages for authority in the affirmation that 'Labour is not a commodity', there has arisen a whole plethora of schools in human relations in industry..." [p. xxxviii]

Many of those who oppose collaboration at industry level do so because they see it as an attempt to reform a system which they would prefer to see overthrown.

"Unionism that aims only at securing peace between employers and men is not only of no value in the fight for freedom, but is actually a serious hinderance and a menace to the interests of workers." [Tom Mann, 'Forging the Weapon', in The Industrial Syndicalist), (Ed. Tom Mann), September 1910.]

Opposition, however, can also be based on more pragmatic considerations, as a motion passed at 1925 TUC Annual Conference indicates.

"...Congress warns the workers against all attempts to introduce capitalist schemes of co-partnership which in the past have failed to give the workers any positive rights, but instead have usually served as fetters retarding the forward movements." (TUC Annual Report, 1925: 135)

That this analysis continued to underpin some trade union attitudes over much of the rest of the century can be seen from later TUC training literature (TUC, 1964,p48-49);

"Joint consultation is historically an afterthought. The employers hold firmly to the rights of management, and the trade unions have won, and firmly hold, the rights to negotiate wages and conditions with them. Joint consultation between the employers and workers in a particular place of work ranges between these two sets of rights.Joint Consultative Committees must not trench upon the field of industrial negotiation. The trade unions have established their authority in this field and strongly resent any interference." (*Shop Stewarts Handbook*, Transport & General Workers' Union, 1964:48-49).

In the UK, much of the discussion of the possible extension of the role of workers in the enterprises which employed them occurred in the context of the nationalisation debate. It is probably fair to say, though, that those who hoped for radical departures in this direction from the state-owned enterprises were disappointed. And, as today, one reason for this lay in the mismatch between the distribution of real expertise and the organisational structures of the trade unions.

"... no one can be consulted on this subject (ie, 'efficiency in the operation of the corporation's services') unless he takes the time and trouble to study each issue as it crops up. The trades union officers don't

know the issues and, because they're nearly all heavily overworked, have not time to study them. The rank-and-file workers do know but they're kept off the national committees." (*Keeping Left, 1950*, A New Statesman pamphlet by Sir Richard Acland et al:30-31)

As though by way of confirmation, a single management view is offered also;

"...in this country the Trade Unions have always refused to share any of the risks or responsibilities of Management..." (Report of a Court of Inquiry into the Causes and Circumstances of a Dispute between the Ford Motor Company Ltd, Dagenham, and members of the Trade Unions..." , HMSO, Cmnd. 1999, April, 1963)

Appendix B

NACE 37 - THE INSTRUMENT ENGINEERING SECTOR

The Instrument Engineering sector is divided into four classes, relating to the manufacture of devices for Measurement, Medical, Optical and Clocks. Each of these sectors is further subdivided. The broad headings are set out below.

<u>Class</u>	<u>NACE Group</u>	<u>Description</u>
Measurement	371	Manufacture of measuring, checking and precision instruments and apparatus.
Medical	372	Manufacture of medical and surgical equipment and orthopaedic appliances (except orthopaedic footwear).
Optical	373	Manufacture of optical instruments and photographic equipment.
Clocks	374	Manufacture of clocks and watches and parts thereof.

The characteristics of the firms comprising NACE 37 are set out in the Census of Industrial Production (CIP) and some of these are presented below.

Employment

As set out in Table 1, the sector is principally composed of small firms, though there are a reasonable number of medium to large size (in Irish terms at least).

Table 1

Employment	No. of Firms	Total Engaged
Under 5	6	21
5 to 9	16	119
10 to 19	12	169
20 to 29	9	230
30 to 49	8	311
50 to 99	8	478
100 to 199	6	797
200 and over	16	5,778
Total	81	7,903

Source: Census of Industrial Production, 1990

As the table shows, 22 firms (27%) employ less than 10 persons, and 34 (42%) less than 20 persons. The average employment in the sector is 98.

Ownership

The sector is dominated by foreign firms, with employment heavily concentrated in these. Irish firms account for with 42 per cent of the firms in the sector, but for only 5 per cent of total employment. The country of origin most strongly represented in

the sector is clearly the US, accounting for 41 per cent of the firms.

Table 2

Ownership	No. of Firms (CIP)	Employment (CIP)	No. of Firms (Sample)	Employment (Sample)
Irish	34	399	1	140
Other EU ¹	9	793	14	3,366
US	33	6,359	23	3,780
Other	5	352	1	200
Total ²	81	7,903	39	7,486

¹ The sample figure relates to "Other European" rather than "Other EU"

² The sample total is understated due to the failure of 8 firms to give their employment levels.

The CIP shows that output in the sector in 1990 amounted to £545m, of which fully 98 percent was exported. The percentage distribution of output exported is as follows.

Table 3

UK	Other EU	USA	Elsewhere
14.7	48.9	14.8	21.6

Source: Census of Industrial Production, 1990

Some 23 per cent of the materials used were Irish produced.

Productivity

The CIP shows that 51% of firms in the instrument engineering sector have an output per person engaged of over £25,000 in 1990. This is the highest in the engineering sector, and well above the

overall industrial average of 29 per cent. The breakdown by nationality of the gross output per person figures is given in Table 4.

Table 4

Nationality	Gross Output Per Person (£000)
Irish	47.3
Other EU	46.5
US	74.1
Other	49.5
All Establishments	70.1

Source: Census of Industrial Production, 1990

Clearly, American firms lead the sector by some way on this measure of productivity.

Appendix C

Questionnaire

Research Project by John Connolly, College of Industrial Relations.

Organisation Code Number:

Part A: Company Profile

A1. What type of services do you provide at this establishment?

- ☐ Mass production (ie, very large numbers)
- ☐ Batch production
- ☐ Customised Production
(ie, single products to customer specification)

A2. Is there, or has there been, any movement away from mass production toward batch or customised production at this establishment?

- ☐ Has been
- ☐ Currently in progress
- ☐ Foresee in the future
- ☐ None of the above

A3. Is this firm

- ☐ A sole proprietorship/partnership
- ☐ A Limited Company or Public Limited Company
- ☐ A Limited Company under EC Statute
- ☐ Other (Please Specify) _____

A4. Is this establishment

- ☐ Irish owned
- ☐ British owned
- ☐ Other European
- ☐ USA
- ☐ Japanese
- ☐ Other (Please Specify) _____

A5. When decisions are taken about the introduction of new methods at this establishment, are these taken;

- ☐ at this establishment
- ☐ jointly with headquarters
- ☐ at headquarters

A6. How has the company's workforce size changed in the last five years ?

- ☐ increased
- ☐ about the same as today
- ☐ declined

A7. Which of these types of new technology/new working methods has your company introduced within the past five years, or is in the process of introducing.

Please Tick One or More:

- ☐ Automated materials handling/assembly
- ☐ Computerised inspection and testing
- ☐ Computer Aided Manufacturing
- ☐ Computerised stock/production control
- ☐ Just-in-Time sourcing
- ☐ Cell based manufacturing
- ☐ World Class Manufacturing
- ☐ Other (Please Specify) _____
- ☐ None of the Above

A8. Did the changes involve the introduction of any new machinery or equipment?

- ☐ Yes
- ☐ No
- ☐ Not applicable

A9. If changes were introduced, or are being introduced, is this in response to;

Please Tick One or More:

- ☐ Need to improve profitability
- ☐ Need to reduce labour costs
- ☐ Need to remain abreast of competitors
- ☐ Introduction of new products
- ☐ Need to improve product quality
- ☐ To avoid closure
- ☐ Other (Please specify) _____
- ☐ Not Applicable

Part B: Workforce

B1. How many of the production workforce in your company are;

Male _____

Female _____

B2. How many of the production workforce are in the following educational categories;

☐

Primary Unfinished

☐

Primary

☐

Secondary/Vocational Unfinished

☐

Secondary/Vocational

☐

Technical

☐

University

B3. How many of the production workforce are in the following age groups;

☐

18 - 25

☐

26 - 35

☐

36 - 45

☐

46 - 55

☐

56 - 65

B4. Has the company ever surveyed its production workforce on any issue?

☐ Yes

☐ No

B5. Has any outside body ever surveyed your production workforce on any issue?

☐ Yes

☐ No

Part C: Industrial Relations

C1. Are any trade unions recognised at this establishment for purposes of negotiation?

☐ Yes

☐ No

C2. Please name the unions recognised at this plant

i) ii) iii)

iv) v) iv)

v) vi) vii)

☐ Prefer not to name unions

☐ No unions recognised

C3. Is there a specialised industrial relations manager in this company?

☐ Yes

☐ No

C4. Approximately which proportion of the production workforce is unionised?

Please Tick:

Under 20%	20 - 40%	40 - 60%	60 - 80%	80 - 100%

C5. Where changes have been or are being made, have workers or their representatives been involved at any stage in their introduction.¹

No Involvement	Information Only	Consultation	Post Evaluation	Joint Decision- Making

☐ Not Applicable

¹ Ie, Have workers or their representatives been involved at any stage other than the actual operation of the new methods (planning, implementation, evaluation).

C6. How would you describe the initial attitude of workers toward proposals for changes in working methods initiated by your company?

- ☐ Opposition
- ☐ Scepticism
- ☐ Neutral
- ☐ Enthusiasm
- ☐ Not Applicable
- ☐ Other (please describe) _____

C7. Where workers or their representatives have been involved in the implementation of change (at any stage of the process) would you describe their involvement as leading to:

- ☐ More rapid completion of the process
- ☐ Slower completion of the process
- ☐ Useful in highlighting practical considerations
- ☐ Other (please specify) _____
- ☐ Not Applicable

C8. Have any of these changes required reductions in work classifications?

- ☐ Yes
- ☐ No
- ☐ Not Applicable

C9. Have any proposed changes been abandoned prior to implementation due to the opposition of the workforce?

☐

Yes

☐

No

☐

Not Applicable

C10. Have any changes been abandoned after implementation due to difficulties with the workforce?

☐

Yes

☐

No

☐

Not Applicable

C11. Were the changes such as to affect any of the following in a manner which would be seen as disadvantageous by the workforce;

☐

Employment levels

☐

Overtime levels

☐

Job definitions

☐

Responsibility levels

☐

Bonus or other payment arrangements

☐

Other (Please Specify) _____

☐

Not Applicable

C12. Do you regard the attitude of any particular workers as a barrier to the implementation of changes?

☐ Yes

☐ No

C13. Did the changes involve any form of direct management liaison with employees or employee groups which could have been seen as 'bypassing' traditional channels?

☐ Yes

☐ No

☐ Not Applicable

C14. Does the company operate a staff suggestion scheme?

☐ Yes

☐ No

C16. Is there any ongoing process of consultation with the workers on the introduction/implementation of future changes?

- ☐ No ongoing consultation process
- ☐ Normal management/union negotiations
- ☐ Special briefing sessions
- ☐ Information agreements
- ☐ Project groups/ Steering groups
- ☐ Productivity agreements
- ☐ Protective clause(s) in general agreement
- ☐ Works Council
- ☐ Joint decision-making bodies
- ☐ Other (Please specify) _____
- ☐ Not Applicable

C17. Do the changes involve altered shift arrangements?

- ☐ Yes
- ☐ No
- ☐ Not Applicable

C18. Do the changes involve altered payment methods?

☐

Yes

☐

No

☐

Not Applicable

C19. Have the any of the workforce ever made suggestions regarding;

☐

Cost reducing strategies

☐

Product development

☐

Marketing strategies

☐

Other (Please specify) _____

☐

No suggestions made by workforce

Part D: Trade Unions and the Market Position of the Company

Please indicate to what extent you agree with the statements below in respect of the trade unions **with which you deal**.

(SD=Strongly Disagree, D=Disagree, U=Uncertain, A=Agree, SA=Strongly Agree).

NB: Figures relate to percentages

	SD	D	U	A	SA
D1. The trade unions are aware of the competitive needs of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D2. The trade unions have become more aware in recent years of the competitive needs of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D3. The trade unions are receptive to arguments based on the competitive needs of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D4. The trade unions have become more receptive in recent years to arguments based on the competitive needs of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D5. I would be willing to share confidential information with trade union representatives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D6. I would be more willing than I was five years ago to share confidential information with the trade union representatives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D7. The trade unions have sufficient expertise to advise on the planning of changes in production methods.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D8. The trade unions are better equipped than five years ago to advise on the planning of changes in production methods.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	SD	D	U	A	SA
D9. The trade unions have sufficient expertise to advise on the implementation of changes in production methods.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D10. The trade unions are better equipped than five years ago to advise on the implementation of changes in production methods.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D11. The trade unions have sufficient expertise to advise on the monitoring of changes made in production methods.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D12. The trade unions are better equipped than five years ago to advise on the monitoring of changes made in production methods.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D13. The trade unions have sufficient expertise to advise on the evaluation of changes made in production methods.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D14. The trade unions are better equipped than five years ago to advise on the evaluation of changes made in production methods.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D15. The trade unions are primarily concerned with the short-term interests of their members.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D16. The trade unions are increasingly concerned with the longer term interests of their members.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D17. I would regard suggestions from the trade union representatives on the following matters as:

Please Tick Each Row:

	Very Welcome	Welcome	Uncertain	Unwelcome	Very Unwelcome
Corporate Strategy					
Marketing Strategy					
Product Development					
Quality Control					
Other (1) *					
Other (2) *					

* Specify if applicable

D18. My company would like to receive details of the conclusions drawn from this study.

☐

Yes

☐

No

Please note that we would welcome any further comments you may wish to make about either the subject matter of this study or about the format of the study itself. Please return these to us along with the completed questionnaire.

Thank You for your cooperation.